

Marksans Pharma U.K. Limited

Annual Report

For the year ended 31 March 2015

Marksans Pharma U.K. Limited

Directors and Advisers

Directors	Mr M Saldanha Mrs S Saldanha Mr J Sharma
Secretary	Mr D Barlow
Company number	05467597
Registered office	Cheshire House Gorse Lane Widnes Cheshire WA8 0RP
Registered auditors	Kingston Smith LLP Surrey House 36-44 High Street Redhill Surrey RH1 1RH

Marksans Pharma U.K. Limited

Strategic Report

For the year ended 31 March 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015

Review of the business

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

The directors consider the results of Bell Sons and Co. (Druggists) Limited for the year to be satisfactory. During the year like for like sales increased from £16,911,972 to £19,419,682 and the profit on ordinary activities before taxation was £1,523,916 (2014: £931,361). The directors expect an increase in the level of activity in the forthcoming year.

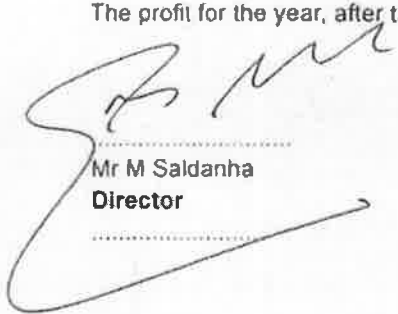
The directors consider the results of Relonchem Limited for the year to be satisfactory. During the year like for like sales increased from £11,324,964 to £17,052,510 and this year the company made a profit on ordinary activities before taxation of £3,810,241 (2014: £1,273,697).

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

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

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

The profit for the year, after taxation, amounted to £3,889,173 (2014: £1,434,605).



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Mr M Saldanha
Director
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Marksans Pharma U.K. Limited

Directors' Report

For the year ended 31 March 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the company continued to be that of a holding company.

The company holds the entire ordinary share capital of Marksans Holdings Limited and Relonchem Limited. Marksans Holdings Limited owns 100% of the share capital in Bell Sons and Co. (Druggists) Limited.

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

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

Directors

The following directors have held office since 1 April 2014:

Mr M Saldanha
Mrs S Saldanha
Mr J Sharma

Auditors

In accordance with the company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Marksans Pharma U.K. Limited

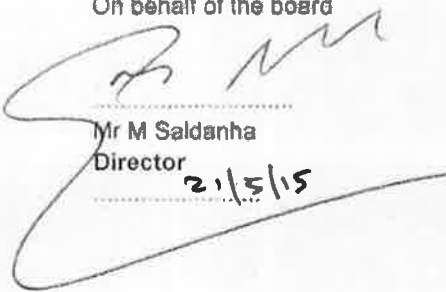
Directors' Report (Continued)

For the year ended 31 March 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



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Mr M Saldanha
Director

21/5/15

Marksans Pharma U.K. Limited

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

We have audited the group and parent company financial statements (the "financial statements") of Marksans Pharma U.K. Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditors' report 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Marksans Pharma U.K. Limited

Independent Auditors' Report to the Members of Marksans Pharma U.K. Limited (Continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

P. Chadda

Parveen Chadda (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

21 May 2015
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Chartered Accountants
Statutory Auditor

Surrey House
36-44 High Street
Redhill
Surrey
RH1 1RH

Marksans Pharma U.K. Limited

Consolidated Profit and Loss Account For the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	33,688,703	27,374,888
Cost of sales		(25,580,575)	(22,796,199)
Gross profit		8,108,128	4,578,689
Distribution costs		(564,684)	(457,863)
Administrative expenses		(2,240,388)	(1,989,262)
Other operating income		6,787	8,364
Operating profit	3	5,309,843	2,139,928
Other interest receivable and similar income		683	573
Interest payable and similar charges	4	(248,175)	(369,505)
Profit on ordinary activities before taxation		5,062,351	1,770,996
Tax on profit on ordinary activities	5	(1,173,178)	(336,391)
Profit on ordinary activities after taxation		<u>3,889,173</u>	<u>1,434,605</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Marksans Pharma U.K. Limited

Balance Sheets

As at 31 March 2015

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Fixed assets					
Intangible assets	7	6,922,761	7,373,016	-	-
Tangible assets	8	3,062,803	2,894,568	-	-
Investments	9	-	-	20,326,514	20,326,514
		<u>9,985,564</u>	<u>10,267,584</u>	<u>20,326,514</u>	<u>20,326,514</u>
Current assets					
Stocks	10	7,747,189	4,171,918	-	-
Debtors	11	5,545,264	5,268,979	34,957	34,957
Cash at bank and in hand		1,267,173	833,153	-	-
		<u>14,559,626</u>	<u>10,274,050</u>	<u>34,957</u>	<u>34,957</u>
Creditors: amounts falling due within one year	12	<u>(12,623,724)</u>	<u>(12,557,342)</u>	<u>(3,538,886)</u>	<u>(9,052,936)</u>
Net current assets/(liabilities)		<u>1,935,902</u>	<u>(2,283,292)</u>	<u>(3,503,929)</u>	<u>(9,017,979)</u>
Total assets less current liabilities		<u>11,921,466</u>	<u>7,984,292</u>	<u>16,822,585</u>	<u>11,308,535</u>
Creditors: amounts falling due after more than one year	13	<u>(1,719,556)</u>	<u>(1,719,556)</u>	<u>(1,719,556)</u>	<u>(1,719,556)</u>
Provisions for liabilities	14	<u>(102,488)</u>	<u>(47,700)</u>	<u>-</u>	<u>-</u>
Accruals and deferred income	15	<u>-</u>	<u>(6,787)</u>	<u>-</u>	<u>-</u>
		<u>10,099,422</u>	<u>6,210,249</u>	<u>15,103,029</u>	<u>9,588,979</u>
Capital and reserves					
Called up share capital	17	8,492,565	8,492,565	8,492,565	8,492,565
Profit and loss account	18	1,606,857	(2,282,316)	6,610,464	1,096,414
Shareholders' funds	19	<u>10,099,422</u>	<u>6,210,249</u>	<u>15,103,029</u>	<u>9,588,979</u>

Approved by the Board and authorised for issue on 21/5/15


Mr M Saldanha
Director

Company Registration No. 05467597

Marksans Pharma U.K. Limited

Consolidated Cash Flow Statement

For the year ended 31 March 2015

	£	2015 £	£	2014 £
Net cash inflow from operating activities		4,373,455		1,055,403
Returns on investments and servicing of finance				
Interest received	683		573	
Interest paid	(248,175)		(825,641)	
Net cash outflow for returns on investments and servicing of finance		(247,492)		(825,068)
Taxation		(336,679)		(179,039)
Capital expenditure				
Payments to acquire intangible assets	(87,674)		(141,208)	
Payments to acquire tangible assets	(349,377)		(101,380)	
Receipts from sales of tangible assets	-		10,249	
Net cash outflow for capital expenditure		(437,051)		(232,339)
Net cash inflow/(outflow) before management of liquid resources and financing		3,352,233		(175,043)
Financing				
Issue of ordinary share capital	-		8,491,565	
Repayment of long term bank loan	(2,310,364)		(1,239,596)	
Repayment of other long term loans	-		(7,491,739)	
Net cash outflow from financing		(2,310,364)		(239,770)
Increase/(decrease) in cash in the year		1,041,869		(414,813)

Marksans Pharma U.K. Limited

Notes to the Consolidated Cash Flow Statement

For the year ended 31 March 2015

1	Reconciliation of operating profit to net cash inflow from operating activities		2015	2014	
			£	£	
	Operating profit		5,309,843	2,139,928	
	Depreciation of tangible assets		172,680	184,677	
	Amortisation of intangible assets		537,929	530,256	
	Loss/(profit) on disposal of tangible assets		8,462	(1,756)	
	Increase in stocks		(3,575,271)	(1,551,414)	
	Increase in debtors		(276,285)	(1,311,767)	
	Increase in creditors within one year		2,202,884	1,073,843	
	Movement on grant provision		(6,787)	(8,364)	
	Net cash inflow from operating activities		4,373,455	1,055,403	
2	Analysis of net debt	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	833,153	434,020	-	1,267,173
	Bank overdrafts	(4,770,900)	607,849	-	(4,163,051)
		(3,937,747)	1,041,869	-	(2,895,878)
	Debts falling due within one year	(2,510,364)	2,310,364	-	(200,000)
	Debts falling due after one year	(1,719,556)	-	-	(1,719,556)
		(4,229,920)	2,310,364	-	(1,919,556)
	Net debt	(8,167,667)	3,352,233	-	(4,815,434)
3	Reconciliation of net cash flow to movement in net debt		2015	2014	
			£	£	
	Increase/(decrease) in cash in the year		1,041,869	(414,813)	
	Cash outflow from decrease in debt		2,310,364	1,844,658	
	Other non-cash changes		-	(6,886,677)	
	Movement in net debt in the year		3,352,233	8,316,522	
	Opening net debt		(8,167,667)	(16,484,189)	
	Closing net debt		(4,815,434)	(8,167,667)	

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2015. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services supplied in the year net of VAT and trade discounts based on the date the goods are ready for despatch.

1.5 Goodwill

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

1.6 Intangible fixed assets

Intangible fixed assets are capitalised at cost and amortised over their expected useful lives being a period of 10 years for Bell Sons & Co. (Druggists) Limited product licenses (OTC) and 20 years for Relonchem Limited product licenses (prescription).

1.7 Tangible fixed assets and depreciation

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

Land and buildings freehold	2% straight line
Plant and machinery	20% reducing balance
Motor vehicles	25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

1 Accounting policies

(Continued)

1.10 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and appropriate proportion of labour costs

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

The deferred tax balance has not been discounted.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

Turnover is attributable to two distinct classes of business, being the distribution of prescription pharmaceuticals in Relonchem Limited, and the manufacture and sale of OTC pharmaceuticals in Bell Sons & Co. (Druggists) Limited.

In the opinion of the directors it would be prejudicial to the interests of the group's trade to disclose the analysis by turnover of geographical location.

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

3	Operating profit	2015	2014
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	537,929	530,256
	Depreciation of tangible assets	172,680	184,677
	Loss on disposal of tangible assets	8,462	-
	Operating lease rentals		
	- Plant and machinery	42,634	38,296
	- Other assets	70,075	63,757
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £4000; 2014: £6975)	22,500	40,435
	and after crediting:		
	Government grants	6,787	8,364
	Profit on disposal of tangible assets	-	(1,756)
	Profit on foreign exchange transactions	(15,835)	(7,780)
		<u> </u>	<u> </u>
4	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	248,175	369,505
		<u> </u>	<u> </u>

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

5 Taxation	2015 £	2014 £
Domestic current year tax		
U.K. corporation tax	1,119,086	336,391
Adjustment for prior years	(696)	-
Total current tax	<u>1,118,390</u>	<u>336,391</u>
Deferred tax		
Origination and reversal of timing differences	54,788	-
	<u>1,173,178</u>	<u>336,391</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>5,062,351</u>	<u>1,770,996</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2014 - 23%)	<u>1,063,094</u>	<u>407,329</u>
Effects of:		
Non deductible expenses	2,595	3,276
Depreciation add back	86,399	86,041
Capital allowances	(91,332)	(36,594)
Tax losses utilised	-	(188,686)
Adjustments to previous periods	(696)	-
Amortisation of goodwill	60,031	65,748
Other tax adjustments	(1,701)	(723)
	<u>55,296</u>	<u>(70,938)</u>
Current tax charge for the year	<u>1,118,390</u>	<u>336,391</u>

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2015 £	2014 £
Holding company's profit for the financial year	<u>5,514,050</u>	<u>2,851,801</u>

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

7 Intangible fixed assets

Group

	OTC product licenses	Goodwill	Prescription product licenses	Total
	£	£	£	£
Cost				
At 1 April 2014	58,950	5,717,140	4,779,220	10,555,310
Additions	-	-	87,674	87,674
At 31 March 2015	58,950	5,717,140	4,866,894	10,642,984
Amortisation				
At 1 April 2014	14,826	1,748,539	1,418,929	3,182,294
Charge for the year	8,727	285,857	243,345	537,929
At 31 March 2015	23,553	2,034,396	1,662,274	3,720,223
Net book value				
At 31 March 2015	35,397	3,682,744	3,204,620	6,922,761
At 31 March 2014	44,124	3,968,601	3,360,291	7,373,016

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

8 Tangible fixed assets

Group	Land and buildings freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2014	2,300,000	3,684,868	9,000	5,993,868
Additions	35,116	314,261	-	349,377
Disposals	-	(22,615)	-	(22,615)
At 31 March 2015	2,335,116	3,976,514	9,000	6,320,630
Depreciation				
At 1 April 2014	38,304	3,051,996	9,000	3,099,300
On disposals	-	(14,153)	-	(14,153)
Charge for the year	40,060	132,620	-	172,680
At 31 March 2015	78,364	3,170,463	9,000	3,257,827
Net book value				
At 31 March 2015	2,256,752	806,051	-	3,062,803
At 31 March 2014	2,261,696	632,872	-	2,894,568

Freehold land with a valuation of £550,000 (2014 - £550,000) and a cost of £268,500 (2014 - £268,500) has not been depreciated.

The property was externally valued on 31 March 2013 at £2,300,000 by Eddisons Chartered Surveyors on an open market basis. The directors are not aware of any material change in value subsequently.

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

	£
Cost	
At 1 April 2014 & at 31 March 2015	1,796,527
Depreciation based on cost	
At 1 April 2014	647,567
Charge for the year	35,931
At 31 March 2015	683,498
Net book value	
At 31 March 2015	1,113,029
At 31 March 2014	1,148,960

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

9 Fixed asset investments Company

	Shares in group undertakings £
Cost	
At 1 April 2014 & at 31 March 2015	20,326,514
Net book value	
At 31 March 2015	20,326,514
At 31 March 2014	20,326,514

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Marksans Holdings Limited	England and Wales	Ordinary	100.00
Bell Sons & Co. (Druggists) Limited	England and Wales	Ordinary	100.00
Relonchem Limited	England and Wales	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

Marksans Holdings Limited	Principal activity Holding company
Bell Sons & Co. (Druggists) Limited	Pharmaceuticals
Relonchem Limited	Pharmaceuticals

10 Stocks

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Raw materials and consumables	1,040,692	863,296	-	-
Finished goods and goods for resale	6,706,497	3,308,622	-	-
	<u>7,747,189</u>	<u>4,171,918</u>	<u>-</u>	<u>-</u>

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

11 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	5,328,605	5,128,812	-	-
Amounts owed by group undertakings	34,957	46,990	34,957	34,957
Other debtors	94,416	-	-	-
Prepayments and accrued income	87,286	93,177	-	-
	<u>5,545,264</u>	<u>5,268,979</u>	<u>34,957</u>	<u>34,957</u>

12 Creditors : amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	4,163,051	7,081,264	-	2,310,364
Trade creditors	2,534,886	1,895,363	-	-
Amounts owed to group undertakings	4,202,708	2,485,138	3,527,106	6,649,199
Corporation tax	1,119,086	337,375	-	-
Taxes and social security costs	196,042	302,873	-	-
Other creditors	42,436	16,568	-	5,525
Accruals and deferred income	365,515	438,761	11,780	87,848
	<u>12,623,724</u>	<u>12,557,342</u>	<u>3,538,886</u>	<u>9,052,936</u>

Bank overdrafts totalling £4,163,051 (2014 - £4,770,900) are secured on an all asset debenture charge creating a first charge over all freehold property and other assets within the group together with a corporate guarantee from the parent company, Marksans Pharma Limited, for the whole proposed credit facility.

13 Creditors : amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts owed to group undertakings	<u>1,719,556</u>	<u>1,719,556</u>	<u>1,719,556</u>	<u>1,719,556</u>

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued) For the year ended 31 March 2015

14 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 April 2014	47,700
Profit and loss account	54,788
	<u> </u>
Balance at 31 March 2015	<u>102,488</u>

The deferred tax liability is made up as follows:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Accelerated capital allowances	<u>102,488</u>	<u>47,700</u>	<u>-</u>	<u>-</u>

The company has no provisions.

15 Grants

Group	Government grants £
Balance at 1 April 2014	6,787
Amortisation in the year	(6,787)
	<u> </u>
Balance at 31 March 2015	<u>-</u>

Government grants comprise amounts received under Regional Development and Enterprise Scheme.

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

16 Retirement benefits

Defined contribution scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by group to the fund. Included in other creditors were pension contributions of £16,185 (2014: £11,043).

	2015 £	2014 £
Contributions payable by the group for the year	101,566	83,015
17 Share capital	2015 £	2014 £
Allotted, called up and fully paid		
8,492,565 Ordinary shares of £1 each	8,492,565	8,492,565

18 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 April 2014	(2,282,316)
Profit for the year	3,889,173
Balance at 31 March 2015	1,606,857
Company	Profit and loss account £
Balance at 1 April 2014	1,096,414
Profit for the year	5,514,050
Balance at 31 March 2015	6,610,464

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

19 Reconciliation of movements in shareholders' funds	2015	2014
Group	£	£
Profit for the financial year	3,889,173	1,434,605
Proceeds from issue of shares	-	8,491,565
Net addition to shareholders' funds	<u>3,889,173</u>	<u>9,926,170</u>
Opening shareholders' funds	6,210,249	(3,715,921)
Closing shareholders' funds	<u><u>10,099,422</u></u>	<u><u>6,210,249</u></u>
	2015	2014
	£	£
Company		
Profit for the financial year	5,514,050	2,851,801
Proceeds from issue of shares	-	8,491,565
Net addition to shareholders' funds	<u>5,514,050</u>	<u>11,343,366</u>
Opening shareholders' funds	9,588,979	(1,754,387)
Closing shareholders' funds	<u><u>15,103,029</u></u>	<u><u>9,588,979</u></u>

20 Financial commitments

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within one year	28,517	-	6,385	4,730
Between two and five years	-	38,023	43,031	41,915
	<u>28,517</u>	<u>38,023</u>	<u>49,416</u>	<u>46,645</u>

21 Directors' remuneration

During the year, no director (2014: none) of Marksans Pharma U.K. Limited received any emoluments from Marksans Pharma U.K. Limited or any of its subsidiaries.

During the year retirement benefits were accruing to no directors (2014: none) of Marksans Pharma U.K. Limited in respect of defined contribution pension schemes.

Marksans Pharma U.K. Limited

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 March 2015

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Production	158	159
Sales and administration	23	21
	<u>181</u>	<u>180</u>

Employment costs

	2015 £	2014 £
Wages and salaries	3,842,078	3,621,054
Social security costs	332,050	314,152
Other pension costs	101,566	83,015
	<u>4,275,694</u>	<u>4,018,221</u>

23 Control

The immediate parent undertaking is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from The Registrar of Companies, Everest 100, Marine Drive, Mumbai - 400 002, Maharashtra. In the opinion of the directors, Marksans Pharma Limited is the company's ultimate parent company and ultimate controlling party.

24 Related party relationships and transactions

Group

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group, as all companies are consolidated in the group accounts of Marksans Pharma Limited.

Marksans Holdings Limited

Director's Report and Financial Statements

For the year ended 31 March 2015

Marksans Holdings Limited

Company Information

Director	Mr M Saldanha
Secretary	Mr D Barlow
Company number	05591744
Registered office	Cheshire House Gorse Lane Widnes Cheshire WA8 ORP
Auditors	Kingston Smith LLP Surrey House 36-44 High Street Redhill Surrey RH1 1RH

Marksans Holdings Limited

Director's Report

For the year ended 31 March 2015

The director presents his report and financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the company continued to be that of a holding company. The company holds the entire share capital of Bell Sons and Co. (Druggists) Limited, a company that manufactures pharmaceutical products.

The company has not traded during the year.

Director

The following director has held office since 1 April 2014:

Mr M Saldanha

Auditors

Kingston Smith LLP were re-appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the Director's Report 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 that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Marksans Holdings Limited

Director's Report (Continued)

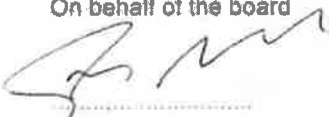
For the year ended 31 March 2015

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board


.....
Mr M Saldanha
Director
.....
21/3/15

Marksans Holdings Limited

Independent Auditors' Report to the Members of Marksans Holdings Limited

We have audited the financial statements of Marksans Holdings Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditors' report 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.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Marksans Holdings Limited

Independent Auditors' Report to the Members of Marksans Holdings Limited (Continued)

Matters on which we are required to report by exception

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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and from preparing a strategic report.

P. Chadda

Parveen Chadda (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

21 May 2015

Chartered Accountants
Statutory Auditor

Surrey House
36-44 High Street
Redhill
Surrey
RH1 1RH

Marksans Holdings Limited

Profit and Loss Account

For the year ended 31 March 2015

	Notes	2015 £	2014 £
Investment income	3	<u>3,000,000</u>	<u>3,000,000</u>
Profit on ordinary activities before taxation		3,000,000	3,000,000
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit for the year	8	<u><u>3,000,000</u></u>	<u><u>3,000,000</u></u>

Marksans Holdings Limited


Balance Sheet

As at 31 March 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Investments	6	1,490,874		1,490,874	
Net current assets			-		-
Total assets less current liabilities		<u>1,490,874</u>		<u>1,490,874</u>	
Capital and reserves					
Called up share capital	7	1,000		1,000	
Share premium account	8	<u>1,489,874</u>		<u>1,489,874</u>	
Shareholders' funds	9	<u>1,490,874</u>		<u>1,490,874</u>	

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

Approved by the Board and authorised for issue on 21/5/15


.....
Mr M Saldanha
Director

Company Registration No. 05591744

Marksans Holdings Limited

Notes to the Financial Statements For the year ended 31 March 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Investments

Fixed asset investments are stated at cost less provision for impairment.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Marksans Pharma U.K. Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Operating profit

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

3 Investment income

	2015 £	2014 £
Income from shares in group undertakings	3,000,000	3,000,000

4 Taxation

	2015	2014
Total current tax	-	-
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	3,000,000	3,000,000
<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)</i>	630,000	690,000
Effects of:		
Income from shares in group undertakings	(630,000)	(690,000)
	(630,000)	(690,000)
Current tax charge for the year	-	-

Marksans Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

5 Dividends	2015 £	2014 £
Ordinary final proposed	3,000,000	3,000,000

6 Fixed asset investments	Investments in subsidiary companies £
Cost	
At 1 April 2014 & at 31 March 2015	1,490,874
Net book value	
At 31 March 2015	1,490,874
At 31 March 2014	1,490,874

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Bell Sons and Co. (Druggists) Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
Bell Sons and Co. (Druggists) Limited	Pharmaceuticals	4,456,001	1,191,207

7 Share capital	2015 £	2014 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	1,000	1,000

Marksans Holdings Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

8 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2014 & at 31 March 2015	1,489,874	-
Profit for the year	-	3,000,000
Dividends paid	-	(3,000,000)

9 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	3,000,000	3,000,000
Dividends	(3,000,000)	(3,000,000)
Net movement in shareholders' funds	-	-
Opening shareholders' funds	1,490,874	1,490,874
Closing shareholders' funds	1,490,874	1,490,874

10 Control

The immediate parent undertaking is Marksans Pharma U.K. Limited. The company is controlled by Marksans Pharma Limited, a company incorporated in India.

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

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

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

11 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group, as all companies are consolidated in the group accounts of Marksans Pharma Limited.

Marksans Holdings Limited

Management Information

For the year ended 31 March 2015

Marksans Holdings Limited

Detailed Trading and Profit and Loss Account

For the year ended 31 March 2015

	2015 £	£	2014 £
Income from investments			
Inter group dividends	3,000,000		3,000,000
Profit before taxation	<u>3,000,000</u>		<u>3,000,000</u>

Bell Sons & Co (Druggists) Limited

Annual Report
For the year ended 31 March 2015

Bell Sons & Co (Druggists) Limited

Company Information

Directors	Mr M Saldanha Mr D Barlow Mr B Gulliver
Secretary	Mr D Barlow
Company number	00351951
Registered office	Gifford House Slaidburn Crescent Southport Merseyside PR9 9AL
Auditors	Kingston Smith LLP Surrey House 36-44 High Street Redhill Surrey RH1 1RH

Bell Sons & Co (Druggists) Limited

Strategic Report

For the year ended 31 March 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

The directors consider the results for the period to be satisfactory. During the period like for like sales increased from £16,911,972 to £19,419,682 and the profit on ordinary activities before taxation was £1,523,916 (2014: £931,361). The directors expect turnover and the profit on ordinary activities to increase in the forthcoming year.

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

Bell's holds 38 product licenses, which contribute towards 45% of its annual turnover. The product portfolio comprises segments like cough and cold remedies, vitamins, palliative and healthcare items, oils, antiseptics and disinfectants.

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

Principal risks and uncertainties arise from a competitive market.

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

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

The profit for the year, after taxation, amounted to £1,191,207 (2014: £744,321).

On behalf of the board



.....
Mr M Saldanha
Director
.....

Bell Sons & Co (Druggists) Limited

Directors' Report

For the year ended 31 March 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

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

Results and dividends

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

Directors

The following directors have held office since 1 April 2014:

Mr M Saldanha

Mr D Barlow

Mr B Gulliver

Auditors

In accordance with the company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Bell Sons & Co (Druggists) Limited

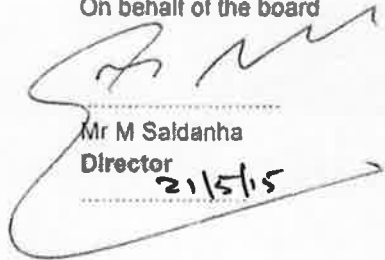
Directors' Report (Continued)

For the year ended 31 March 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr M Saldanha
Director
21/5/15

Bell Sons & Co (Druggists) Limited

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

We have audited the financial statements of Bell Sons & Co (Druggists) Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditors' report 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Bell Sons & Co (Druggists) Limited

Independent Auditors' Report to the Members of Bell Sons & Co (Druggists) Limited (Continued)

Matters on which we are required to report by exception

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.

P. Chadda

Parveen Chadda (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

21 May 2015

Chartered Accountants
Statutory Auditor

Surrey House
36-44 High Street
Redhill
Surrey
RH1 1RH

Bell Sons & Co (Druggists) Limited

Profit and Loss Account

For the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	19,419,682	16,911,972
Cost of sales		(16,112,200)	(14,411,955)
Gross profit		3,307,482	2,500,017
Distribution costs		(564,684)	(457,863)
Administrative expenses		(1,071,815)	(964,035)
Other operating income		6,787	8,364
Operating profit	4	1,677,770	1,086,483
Other interest receivable and similar income	3	683	573
Interest payable and similar charges	5	(154,537)	(155,695)
Profit on ordinary activities before taxation		1,523,916	931,361
Tax on profit on ordinary activities	6	(332,709)	(187,040)
Profit for the year	18	1,191,207	744,321

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

	2015 £	2014 £
Reported profit on ordinary activities before taxation	1,523,916	931,361
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	2,373	2,373
Historical cost profit on ordinary activities before taxation	1,526,289	933,734
Historical cost loss for the year retained after taxation, extraordinary items and dividends	(1,806,420)	(2,253,306)

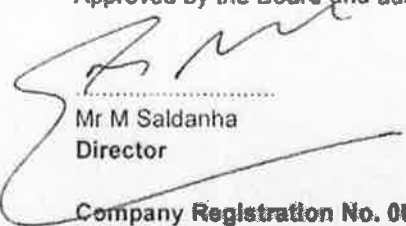
Bell Sons & Co (Druggists) Limited

Balance Sheet

As at 31 March 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Intangible assets	9		35,397		44,124
Tangible assets	8		3,052,879		2,886,107
			<u>3,088,276</u>		<u>2,930,231</u>
Current assets					
Stocks	10	3,350,912		2,689,539	
Debtors	11	4,357,040		6,255,643	
Cash at bank and in hand		550,383		575,222	
		<u>8,258,335</u>		<u>9,520,404</u>	
Creditors: amounts falling due within one year	12	(6,788,122)		(6,131,354)	
Net current assets			<u>1,470,213</u>		<u>3,389,050</u>
Total assets less current liabilities			<u>4,558,489</u>		<u>6,319,281</u>
Provisions for liabilities	14		(102,488)		(47,700)
Grants	15		-		(6,787)
Net assets			<u>4,456,001</u>		<u>6,264,794</u>
Capital and reserves					
Called up share capital	16		6,334		6,334
Revaluation reserve	18		1,042,438		1,044,811
Profit and loss account	18		3,407,229		5,213,649
Shareholders' funds	17		<u>4,456,001</u>		<u>6,264,794</u>

Approved by the Board and authorised for issue on 21/5/15


Mr M Saldanha
Director

Company Registration No. 00351951

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements

For the year ended 31 March 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts based on the date the goods are ready for despatch.

1.4 Intangible fixed assets and amortisation

Intangible fixed assets are capitalised at cost and amortised over their expected useful lives being a period of 10 years.

1.5 Tangible fixed assets and depreciation

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

Freehold buildings	2% cost or valuation
Plant and machinery	20% reducing balance
Motor vehicles	25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and appropriate proportion of labour costs.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

1 Accounting policies (Continued)

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

Turnover is attributable to one class of business. The analysis of turnover by geographical markets has been omitted as the directors consider that this would be prejudicial to the interests of the company's trade.

3 Investment income	2015	2014
	£	£
Bank interest	683	573
	<u>683</u>	<u>573</u>
4 Operating profit	2015	2014
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	8,727	5,438
Depreciation of tangible assets	170,199	181,856
Operating lease rentals		
- Plant and machinery	42,634	38,296
- Other assets	54,747	53,557
Auditors' remuneration	8,500	20,360
	<u>6,787</u>	<u>8,364</u>
Government grants	6,787	8,364
Profit on disposal of tangible assets	-	1,756
Profit on foreign exchange transactions	15,835	617
	<u>15,835</u>	<u>617</u>

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

5	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	154,537	155,695
		<u> </u>	<u> </u>
6	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	278,617	187,040
	Adjustment for prior years	(696)	-
	Total current tax	277,921	187,040
	Deferred tax		
	Origination and reversal of timing differences	54,788	-
		<u> </u>	<u> </u>
		332,709	187,040
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,523,916	931,361
		<u> </u>	<u> </u>
	<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)</i>	<i>320,022</i>	<i>214,213</i>
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	-	2,385
	Depreciation add back	34,776	41,562
	Capital allowances	(77,432)	(36,311)
	Tax losses utilised	-	(34,086)
	Adjustments to previous periods	(696)	-
	Other tax adjustments	1,251	(723)
		<u> </u>	<u> </u>
		(42,101)	(27,173)
		<u> </u>	<u> </u>
	Current tax charge for the year	277,921	187,040
		<u> </u>	<u> </u>
7	Dividends	2015	2014
		£	£
	Ordinary final proposed	3,000,000	3,000,000
		<u> </u>	<u> </u>

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

8 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2014	2,300,000	3,662,254	9,000	5,971,254
Additions	35,116	301,855	-	336,971
At 31 March 2015	2,335,116	3,964,109	9,000	6,308,225
Depreciation				
At 1 April 2014	38,304	3,037,843	9,000	3,085,147
Charge for the year	40,060	130,139	-	170,199
At 31 March 2015	78,364	3,167,982	9,000	3,255,346
Net book value				
At 31 March 2015	2,256,752	796,127	-	3,052,879
At 31 March 2014	2,261,696	624,411	-	2,886,107

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

	£
Cost	
At 1 April 2014 & at 31 March 2015	1,796,527
Depreciation based on cost	
At 1 April 2014	647,567
Charge for the year	35,931
At 31 March 2015	683,498
Net book value	
At 31 March 2015	1,113,029
At 31 March 2014	1,148,960

Freehold land with a valuation of £550,000 (2014: £550,000) and a cost of £268,500 (2014: £268,500) has not been depreciated.

The property was externally valued on 31 March 2013 at £2,300,000 by Eddisons Chartered Surveyors on an open market basis. The directors are not aware of any material change in value subsequently.

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

9 Intangible fixed assets

	Patents £
Cost	
At 1 April 2014 & at 31 March 2015	58,950
Amortisation	
At 1 April 2014	14,826
Charge for the year	8,727
At 31 March 2015	23,553
Net book value	
At 31 March 2015	35,397
At 31 March 2014	44,124

10 Stocks

	2015 £	2014 £
Raw materials and consumables	1,040,692	863,296
Finished goods and goods for resale	2,310,220	1,826,243
	<u>3,350,912</u>	<u>2,689,539</u>

11 Debtors

	2015 £	2014 £
Trade debtors	2,787,174	2,309,039
Amounts owed by parent and fellow subsidiary undertakings	1,499,370	3,868,592
Prepayments and accrued income	70,496	78,012
	<u>4,357,040</u>	<u>6,255,643</u>

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

12 Creditors: amounts falling due within one year	2015	2014
	£	£
Bank loans and overdrafts	3,105,390	3,248,851
Trade creditors	1,779,186	1,314,720
Amounts owed to parent and fellow subsidiary undertakings	1,135,613	900,128
Corporation tax	278,617	188,024
Other taxes and social security costs	187,663	214,356
Other creditors	42,438	11,043
Accruals and deferred income	259,215	254,232
	<u>6,788,122</u>	<u>6,131,354</u>

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

13 Retirement benefits

Defined contribution scheme

Included in other creditors at year end were pension contributions of £16,185 (2014: £11,043).

	2015	2014
	£	£
Contributions payable by the company for the year	<u>101,566</u>	<u>83,015</u>

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2014	47,700
Profit and loss account	54,788
	<u>102,488</u>
Balance at 31 March 2015	<u>102,488</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>102,488</u>	<u>47,700</u>

No provision has been made for the potential corporation tax on capital gains that would be payable should the company dispose of the revalued land and buildings at the revalued amount. The potential liability of £nil (2014-£nil) has not been provided for as it is not the intention of the directors to dispose of the land and buildings in the foreseeable future.

15 Grants

	Government grants £
Balance at 1 April 2014	6,787
Amortisation in the year	(6,787)
	<u>-</u>
Balance at 31 March 2015	<u>-</u>

Government grants comprise amounts received under Regional Development and Enterprise Scheme.

	2015 £	2014 £
16 Share capital		
Allotted, called up and fully paid		
6,334 Ordinary shares of £1 each	<u>6,334</u>	<u>6,334</u>

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

17 Reconciliation of movements in Shareholders' funds	2015 £	2014 £
Profit for the financial year	1,191,207	744,321
Dividends	(3,000,000)	(3,000,000)
Net depletion in shareholders' funds	(1,808,793)	(2,255,679)
Opening Shareholders' funds	6,264,794	8,520,473
Closing Shareholders' funds	<u>4,456,001</u>	<u>6,264,794</u>

18 Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2014	1,044,811	5,213,649
Profit for the year	-	1,191,207
Transfer from revaluation reserve to profit and loss account	(2,373)	2,373
Dividends paid	-	(3,000,000)
Balance at 31 March 2015	<u>1,042,438</u>	<u>3,407,229</u>

19 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	28,517	-	6,385	4,730
Between two and five years	-	38,023	43,031	41,915
	<u>28,517</u>	<u>38,023</u>	<u>49,416</u>	<u>46,645</u>

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Production	158	159
Sales and administration	16	16
	<u>174</u>	<u>175</u>

Employment costs

	2015 £	2014 £
Wages and salaries	3,580,742	3,421,152
Social security costs	301,406	291,008
Other pension costs	101,566	83,015
	<u>3,983,714</u>	<u>3,795,175</u>

21 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	194,094	174,274
Company pension contributions to defined contribution schemes	15,680	13,961
	<u>209,774</u>	<u>188,235</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

Bell Sons & Co (Druggists) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

22 Control

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

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

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

Bell Sons & Co (Druggists) Limited

Management Information

For the year ended 31 March 2015

Bell Sons & Co (Druggists) Limited

Detailed Trading and Profit and Loss Account

For the year ended 31 March 2015

		2016		2014
	£	£	£	£
Turnover				
Sales		19,507,965		16,935,992
Other income receivable as turnover income		(88,283)		(24,020)
		<u>19,419,682</u>		<u>16,911,972</u>
Cost of sales				
Purchases - raw materials	10,588,634		9,413,901	
Wages and salaries	3,024,634		2,912,911	
National Insurance	243,632		247,776	
Direct manufacturing costs	617,336		452,132	
Carriage inwards and import duty	902,558		672,829	
Product development	11,682		11,915	
Light, heat and power	195,934		174,099	
Maintenance	250,608		212,212	
Licences	8,727		5,364	
Depreciation of plant and equipment	165,285		173,048	
Miscellaneous costs	103,170		135,768	
		<u>(16,112,200)</u>		<u>(14,411,955)</u>
Gross profit		<u>3,307,482</u>		<u>2,500,017</u>
Distribution costs	564,684		457,863	
Administrative expenses	1,071,815		964,035	
		<u>(1,636,499)</u>		<u>(1,421,898)</u>
		1,670,983		1,078,119
Other operating income				
Other operating income		6,787		8,364
		<u>1,677,770</u>		<u>1,086,483</u>
Operating profit				
Other interest receivable and similar income				
Bank interest receivable		683		573
Interest payable				
Bank overdraft interest payable	150,162		148,682	
Bank loan interest payable	4,375		7,013	
		<u>(154,537)</u>		<u>(155,695)</u>
Profit before taxation		<u><u>1,523,916</u></u>		<u><u>931,361</u></u>

Bell Sons & Co (Druggists) Limited

Schedule of Distribution Costs and Administrative Expenses

For the year ended 31 March 2015

	2015	2014
	£	£
Distribution costs		
Wages and salaries	211,705	208,665
National Insurance	24,536	17,749
Sales rebates	256,334	145,282
Vehicle leasing	23,032	16,393
Salesman expenses	25,585	44,677
Advertising and promotions	14,140	17,343
Sundry expenses	9,352	7,754
	<u>564,684</u>	<u>457,863</u>
Administrative expenses		
Wages and salaries	170,180	144,450
Directors' remuneration	174,223	155,126
National Insurance	33,238	25,483
Directors' pension costs - money purchase schemes	15,680	13,961
Staff pension costs - money purchase schemes	85,888	69,054
Recruitment expenses	38,079	-
Staff training & welfare	4,927	6,425
Rent - operating leases	54,747	53,557
Rates	64,829	55,142
Insurances	64,064	56,525
Repairs and maintenance	63,251	52,563
Printing and stationery	53,978	40,297
Telephone and fax	26,010	21,877
Motor vehicle leasing (operational)	19,602	21,903
Motor running costs	3,005	1,638
Legal and professional	11,953	12,132
Auditors' remuneration	13,388	20,360
Bank charges	31,927	24,395
Bad and doubtful debts	(3,107)	-
Discounts allowed	19,559	24,798
Canteen	38,744	38,596
Employee expenses	8,248	7,826
Charity donations	40	501
Sundry expenses	18,206	15,270
Subscriptions	5,297	4,445
Depreciation - other fixed assets	4,913	8,880
Profit on sale of tangible assets	-	(1,756)
Profit on foreign exchange	(15,835)	(617)
Product registrations and trademarks	46,464	72,816
Life & medical insurance	20,319	18,390
	<u>1,071,815</u>	<u>964,035</u>

Relonchem Limited

Annual Report

For the year ended 31 March 2015

Relonchem Limited

Company Information

Directors	Mr M Saldanha Mr J Sharma
Secretary	Mr D Barlow
Company number	04773758
Registered office	27 Old Gloucester Street London WC1 3XX
Auditors	Kingston Smith LLP Surrey House 36-44 High Street Redhill Surrey RH1 1RH

Relonchem Limited

Strategic Report

For the year ended 31 March 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

The directors consider the results for the period to be satisfactory. During the period like for like sales increased from £11,324,964 to £17,052,510 and the profit on ordinary activities before taxation was £3,810,241 (2014: £1,273,697). The directors expect turnover and the profit on ordinary activities to increase in the forthcoming year.

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

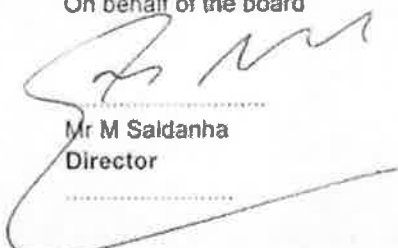
Principal risks and uncertainties arise from a competitive market.

Increasing raw material costs continue to threaten margins. The company is able to manage this risk by utilising the low cost manufacturing capability of the parent company, which also secures reliable supplies.

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

The profit for the year, after taxation, amounted to £2,969,772 (2014: £1,124,346).

On behalf of the board



.....
Mr M Saldanha
Director
.....

Relonchem Limited

Directors' Report

For the year ended 31 March 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

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

Results and dividends

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

Directors

The following directors have held office since 1 April 2014:

Mr M Saldanha
Mr J Sharma

Auditors

In accordance with the company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Relonchem Limited

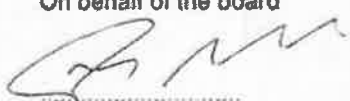
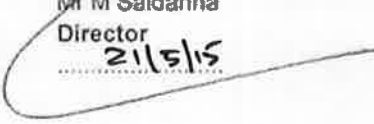
Directors' Report (Continued)

For the year ended 31 March 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


.....
Mr M Saldanha
Director
.....
21/5/15


Relonchem Limited

Independent Auditors' Report

To the Members of Relonchem Limited

We have audited the financial statements of Relonchem Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 in an auditors' report 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Relonchem Limited

Independent Auditors' Report (Continued)

To the Members of Relonchem Limited

Matters on which we are required to report by exception

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.

P. Chadda

Parveen Chadda (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

21 May 2015
.....

Chartered Accountants
Statutory Auditor

Surrey House
36-44 High Street
Redhill
Surrey
RH1 1RH

Relonchem Limited

Profit and Loss Account

For the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	17,052,510	11,324,964
Cost of sales		(12,340,147)	(9,270,312)
Gross profit		4,712,363	2,054,652
Administrative expenses		(915,422)	(727,591)
Other operating income		88,283	24,020
Operating profit	3	3,885,224	1,351,081
Interest payable and similar charges	4	(74,983)	(77,384)
Profit on ordinary activities before taxation		3,810,241	1,273,697
Tax on profit on ordinary activities	5	(840,469)	(149,351)
Profit for the year	13	2,969,772	1,124,346

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Relonchem Limited

Balance Sheet

As at 31 March 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Intangible assets	7		3,204,618		3,360,289
Tangible assets	8		9,925		8,462
			<u>3,214,543</u>		<u>3,368,751</u>
Current assets					
Stocks	9	4,396,277		1,482,379	
Debtors	10	5,136,077		5,979,633	
Cash at bank and in hand		716,790		257,931	
			<u>10,249,144</u>		<u>7,719,943</u>
Creditors: amounts falling due within one year	11	(6,279,528)		(4,374,306)	
Net current assets			<u>3,969,616</u>		<u>3,345,637</u>
Total assets less current liabilities			<u>7,184,159</u>		<u>6,714,388</u>
Capital and reserves					
Called up share capital	12		2,300		2,300
Share premium account	13		6,909,121		6,909,121
Profit and loss account	13		272,738		(197,033)
Shareholders' funds	14		<u>7,184,159</u>		<u>6,714,388</u>

Approved by the Board and authorised for issue on 21/5/15

.....
 Mr M Saldanha
 Director

Company Registration No. 04773758

Relonchem Limited

Notes to the Financial Statements

For the year ended 31 March 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts based on the date they are ready for despatch.

1.4 Intangible fixed assets and amortisation

Intangible assets are stated at cost and amortised over their expected useful lives being a period of 20 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% reducing balance
--------------------------------	----------------------

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Relonchem Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2015 £	2014 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	243,345	238,961
	Depreciation of tangible assets	2,481	2,821
	Loss on disposal of tangible assets	8,462	-
	Operating lease rentals	15,328	10,200
	Auditors' remuneration (including expenses and benefits in kind)	10,000	13,100
		<u> </u>	<u> </u>
	and after crediting:		
	Profit on foreign exchange transactions	-	7,163
		<u> </u>	<u> </u>
4	Interest payable	2015 £	2014 £
	On bank loans and overdrafts	74,983	77,384
		<u> </u>	<u> </u>

Relonchem Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

6 Taxation	2015 £	2014 £
Domestic current year tax		
U.K. corporation tax	840,469	149,351
Total current tax	<u>840,469</u>	<u>149,351</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>3,810,241</u>	<u>1,273,697</u>
<i>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)</i>	<u>800,151</u>	<u>292,950</u>
Effects of:		
Non deductible expenses	2,595	891
Amortisation and depreciation	51,623	44,479
Capital allowances	(13,900)	(283)
Tax losses utilised	-	(188,686)
	<u>40,318</u>	<u>(143,599)</u>
Current tax charge for the year	<u>840,469</u>	<u>149,351</u>
6 Dividends	2015 £	2014 £
Ordinary final proposed	<u>2,500,000</u>	<u>-</u>

Relonchem Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

7 Intangible fixed assets

	Product licenses £
Cost	
At 1 April 2014	4,779,218
Additions	87,674
At 31 March 2015	4,866,892
Amortisation	
At 1 April 2014	1,418,929
Charge for the year	243,345
At 31 March 2015	1,662,274
Net book value	
At 31 March 2015	3,204,618
At 31 March 2014	3,360,289

Relonchem Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

8 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2014	22,615
Additions	12,406
Disposals	(22,615)
At 31 March 2015	<u>12,406</u>
Depreciation	
At 1 April 2014	14,153
On disposals	(14,153)
Charge for the year	2,481
At 31 March 2015	<u>2,481</u>
Net book value	
At 31 March 2015	<u>9,925</u>
At 31 March 2014	<u>8,462</u>

9	Stocks	2015 £	2014 £
	Finished goods and goods for resale	4,396,277	1,482,379
		<u>4,396,277</u>	<u>1,482,379</u>
10	Debtors	2015 £	2014 £
	Trade debtors	2,541,431	2,819,773
	Amounts owed by parent and fellow subsidiary undertakings	2,483,440	3,144,695
	Other debtors	94,416	-
	Prepayments and accrued income	16,790	15,165
		<u>5,136,077</u>	<u>5,979,633</u>

Relonchem Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

11 Creditors: amounts falling due within one year	2015 £	2014 £
Bank loans and overdrafts	1,057,661	1,522,049
Trade creditors	755,700	580,643
Amounts owed to parent and fellow subsidiary undertakings	3,522,799	1,937,065
Corporation tax	840,469	149,351
Other taxes and social security costs	8,379	88,517
Accruals and deferred income	94,520	96,681
	<u>6,279,528</u>	<u>4,374,306</u>

Bank overdrafts are secured by an all asset debenture charge creating the first charge over all freehold and leasehold property owned by the company, all fixtures, fittings, plant and machinery and other equipment, intellectual property together with a corporate guarantee from the ultimate parent company, Marksans Pharma Limited.

12 Share capital	2015 £	2014 £
Allotted, called up and fully paid 2,300 Ordinary shares of £1 each	<u>2,300</u>	<u>2,300</u>

13 Statement of movements on reserves	Share premium account £	Profit and loss account £
Balance at 1 April 2014	6,909,121	(197,034)
Profit for the year	-	2,969,772
Dividends paid	-	(2,500,000)
Balance at 31 March 2015	<u>6,909,121</u>	<u>272,738</u>

Relonchem Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2015

14 Reconciliation of movements in Shareholders' funds	2015	2014
	£	£
Profit for the financial year	2,969,772	1,124,346
Dividends	(2,500,000)	-
Net addition to shareholders' funds	<u>469,772</u>	<u>1,124,346</u>
Opening Shareholders' funds	6,714,388	5,590,042
Closing Shareholders' funds	<u><u>7,184,160</u></u>	<u><u>6,714,388</u></u>

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015	2014
	Number	Number
Administration and sales	<u>7</u>	<u>5</u>

Employment costs

	2015	2014
	£	£
Wages and salaries	261,336	199,902
Social security costs	30,644	23,144
	<u><u>291,980</u></u>	<u><u>223,046</u></u>

16 Control

The immediate parent undertaking is Marksans Pharma U.K. Limited. The parent undertaking of the smallest group for which consolidated accounts are prepared is Marksans Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ. The parent undertaking of the largest group for which consolidated accounts are prepared is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from The Registrar of Companies, Everest 100, Marine Drive, Mumbai - 400 002, Maharashtra. In the opinion of the directors, Marksans Pharma Limited is the company's ultimate parent company and ultimate controlling party.

17 Related party relationships and transactions

The company has taken the exemption in FRS8 not to disclose related party transactions with 100% owned group companies as all companies are consolidated in the group accounts of Marksans Pharma Limited.

Relonchem Limited

Management Information

For the year ended 31 March 2015

Relonchem Limited

Detailed Trading and Profit and Loss Account For the year ended 31 March 2015

		2015		2014
	£	£	£	£
Turnover				
Sales		17,052,510		11,324,964
Cost of sales				
Purchases	11,367,305		8,672,559	
Carriage and packaging	311,737		179,724	
Storage	255,435		162,552	
Pharmaceutical licence fee	143,618		81,647	
Laboratory testing	262,052		173,830	
		<u>(12,340,147)</u>		<u>(9,270,312)</u>
Gross profit		4,712,363		2,054,652
Administrative expenses		<u>(915,422)</u>		<u>(727,591)</u>
		3,796,941		1,327,061
Other operating income				
Sundry income		88,283		24,020
Operating profit		<u>3,885,224</u>		<u>1,351,081</u>
Interest payable				
Bank overdraft interest payable	74,983		76,952	
Other loan interest payable	-		432	
		<u>(74,983)</u>		<u>(77,384)</u>
Profit before taxation		<u><u>3,810,241</u></u>		<u><u>1,273,697</u></u>

Relonchem Limited

Schedule of Administrative Expenses

For the year ended 31 March 2015

	2016 £	2014 £
Administrative expenses		
Wages and salaries	281,336	199,902
National Insurance	30,644	23,144
Recruitment expenses	3,000	-
Management charges	-	12,870
Rent	15,328	10,200
Insurance	59,562	39,321
Repairs and maintenance	1,585	904
Printing, postage and stationery	12,937	8,905
Advertising and promotion	15,570	8,500
Telephone and fax	9,439	2,479
GMP inspection fees	35,832	11,852
Motor running expenses	6,600	7,957
Travelling expenses	20,153	21,362
Legal and professional fees	101,413	81,991
Consultancy fees	63,675	26,882
Auditors' remuneration	11,888	13,100
Bank charges	12,797	9,011
Bad debts	(17,369)	2,238
Sundry expenses	2,227	682
Subscriptions	6,724	7,800
Amortisation - intangible fixed assets	243,345	238,961
Depreciation - plant and machinery	2,481	2,621
Loss on sale of tangible assets	8,462	-
Profit on foreign exchange	-	(7,163)
Entertainment	7,793	3,873
	<u>915,422</u>	<u>727,591</u>

**NOVA PHARMACEUTICALS
AUSTRALASIA PTY LTD**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2015**

Darshan Dhillon

Suite 1, 11 Bridge Street, Epping, NSW, 2121

Telephone: 9876 2678 Fax: 9876 1164

Email: darshan.info@bigpond.com

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

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Trading Account
for the year ended 31st March 2015

Notes to and forming part of the Financial Statement
for the year ended 31st March 2015

Statement of Cashflows
for the year ended 31st March 2015



DARSHAN DHILLON

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

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

INDEPENDENT ACCOUNTANT'S REPORT TO

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

Scope

I have prepared the accompanying special purpose financial statements of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD, which comprise the statement of financial position as at 31st March 2015, the statement of comprehensive income, the statement of profit or loss, the trading account, the notes to the financial statements, and the statement of cashflows for the year then ended.

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

The Responsibility of the Directors of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

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

My Responsibility

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

Dated at Epping, this 14th day of May 2015

Darshan Dhillon

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ended 31st March 2015 as follows:-

1. DIRECTORS

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

H Mohammed	O Mohammed
M Saldanha	J M P Sharma

2. PRINCIPAL ACTIVITY

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

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

4. REVIEW OF OPERATIONS

During the year ended 31st March 2015 the company earned a profit after tax of \$1,193,748.

5. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

7. ENVIRONMENTAL REGULATION

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

8. DIVIDENDS

No dividends were paid during the year, and the Directors have decided that no final dividend be declared for the year ended 31st March 2015.

9. OPTIONS

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

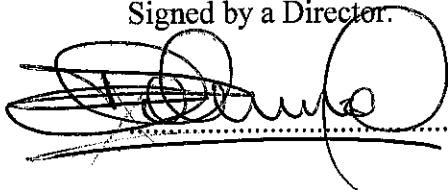
10. INDEMNIFICATION OF OFFICERS

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

11. PROCEEDINGS ON BEHALF OF THE COMPANY

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

Signed by a Director.

..... Director

Dated at Bella Vista this 14th day of May 2015.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

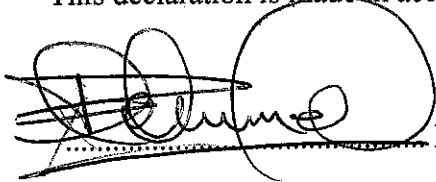
DIRECTORS' DECLARATION

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

The directors of the company declare that:

1. The financial statements and notes present fairly the company's financial position as at 31st March 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

 Director

Dated at Bella Vista this 14th day of May 2015.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

STATEMENT OF FIANANCIAL POSITION AS AT 31ST MARCH 2015

	NOTE	2014	
CURRENT ASSETS			
Cash	2	1,236,919	954,793
Receivables	3	1,880,218	1,200,697
Inventories	4	1,481,046	987,142
		<u>4,598,183</u>	<u>3,142,632</u>
NON-CURRENT ASSETS			
Investments	5	94	94
PROPERTY PLANT AND EQUIPMENT	6	98,911	82,915
		<u>99,005</u>	<u>83,009</u>
		0	0
TOTAL ASSETS		<u>4,697,188</u>	<u>3,225,641</u>
CURRENT LIABILITIES			
Creditors & Borrowings	7	403,660	224,707
Provisions	8	98,845	0
		<u>502,505</u>	<u>224,707</u>
TOTAL LIABILITIES		<u>502,505</u>	<u>224,707</u>
NET ASSETS		<u>\$ 4,194,683</u>	<u>\$ 3,000,934</u>
SHARE CAPITAL AND RESERVES			
Share Capital		150	150
Accumulated Profit		<u>4,194,532</u>	<u>3,000,784</u>
TOTAL CAPITAL & RESERVES		<u>\$ 4,194,682</u>	<u>\$ 3,000,934</u>

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2015

	NOTE	2014
Profit		
Before Income Tax	1,705,355	1,093,952
Income Tax Expense	511,607	330,113
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,193,748	763,839
Retained Profits at July 1	3,000,784	3,093,023
	<hr/>	<hr/>
PROFIT AVAILABLE FOR APPROPRIATION	4,194,532	3,856,862
Dividends	-	856,078
	<hr/>	<hr/>
RETAINED PROFITS	\$ 4,194,532\$	3,000,784
	<hr/>	<hr/>

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2015

	NOTE	2014
INCOME		
Gross Profit Trading	4,571,266	3,887,370
Interest Received	33,710	18,903
	<hr/>	<hr/>
TOTAL INCOME	4,604,976	3,906,273
EXPENSES		
Accountancy	4,971	4,090
Advertising & Selling	243,214	178,731
Audit & Inspections	6,650	5,630
Bank Charges	2,466	3,732
Cleaning	4,050	3,750
Commission	11,336	26,589
Consultants Fees	25,555	86,393
Computer Supplies	8,316	9,025
Depreciation	14,912	30,274
Design Fees	-	23,905
Donations	200	1,100
Electricity	8,596	10,295
Filing Fees	236	230
Freight & Cartage	802,358	577,888
Insurance	31,324	32,297
Interest	4,541	5,392
Leasing Charges	-	2,730
Licences & Registrations	161,441	177,526
Loss of Profits Claims	15,404	50,492
Motor Vehicle Expenses	3,365	3,974
Office Expenses	5,512	3,273
Payroll Tax	17,789	7,211
Printing & Stationery	3,597	3,662
Rent	162,713	139,508
Repairs & Maintenance	-	8,001
Salaries	992,001	930,464
Staff Recruitment&Amenities	10,821	7,766
Storage	110,400	105,300
Superannuation	91,864	84,028
Telephone & Internet	13,347	13,422
Testing Fees	7,135	50,582
Travelling Expenses	48,222	111,542
Warehouse Expenses	87,285	113,519
	<hr/>	<hr/>
TOTAL EXPENSES	2,899,621	2,812,321

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2015

	NOTE	2014
OPERATING PROFIT BEFORE INCOME TAX	1,705,355	1,093,952
Income Tax Expense	511,607	330,113
OPERATING PROFIT FOR THE YEAR	1,193,748	763,839
OPERATING PROFIT AND EXTRAORDINARY ITEMS	1,193,748	763,839
Retained Profits at July 1	3,000,784	3,093,023
PROFIT AVAILABLE FOR APPROPRIATION	4,194,532	3,856,862
Dividends		
Ordinary Dividend Paid	-	856,078
RETAINED PROFITS	\$ 4,194,532	\$ 3,000,784

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

	NOTE	2014
Sales	10,816,046	9,288,693
LESS COST OF SALES		
Opening Stock	987,142	821,425
Purchases	6,553,279	5,315,188
Foreign Exchange	185,405	251,852
	<u>7,725,826</u>	<u>6,388,465</u>
Closing Stock	1,481,046	987,142
	<u>6,244,780</u>	<u>5,401,323</u>
TOTAL TRADING PROFIT	\$ <u>4,571,266</u>	<u>3,887,370</u>

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

NOTE 1 - Statement of Significant Accounting Policies

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

Basis of Preparation

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

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

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

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

1) Income Tax

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

2) Property, Plant & Equipment

All depreciable assets are depreciated over their useful lives of 3-7 years, using straight line basis. Depreciation commences from the time the asset is available for its intended use. The carrying amount is reviewed annually by directors to ensure it is not in excess of the recoverable amount.

3) Trade and Other Receivables

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

4) Inventories

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

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

5) Provisions

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

6) Revenue

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

7) Leases

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

8) Critical Accounting Estimates

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

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

2014

NOTE 2 - Cash

Cash in Hand	561	1,014
Westpac Cheque account	274,384	123,150
Westpac Bank Guarantee Deposit	38,258	38,258
Westpac Maxi-Business account	923,716	772,251
Westpac Term Deposit	-	20,120
	<u>1,236,919</u>	<u>954,793</u>
	\$ 1,236,919	\$ 954,793

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

2014

NOTE 3 - Current

Trade Debtors	1,871,671	1,033,531
Income Tax Refund Due	-	167,166
Prepayments	8,547	-
	<u>1,880,218</u>	<u>1,200,697</u>

NOTE 4 - Current

Stock on Hand	\$ <u>1,481,046</u>	\$ <u>987,142</u>
---------------	---------------------	-------------------

NOTE 5 - Non Current

Shares in Nova Pharmaceuticals Ltd- Wholly owned subsidiary	\$ <u>94</u>	\$ <u>94</u>
--	--------------	--------------

NOTE 6 - Property Plant and Equipment

Office Equipment - at Cost	\$ 8,445	\$ 38,040
Less Prov'n for Depreciation	\$ <u>6,539</u>	<u>34,946</u>
	1,906	3,094
Motor Vehicles - at Cost	\$ 92,815	\$ 92,815
Less Prov'n for Depreciation	\$ <u>24,598</u>	<u>12,994</u>
	68,217	79,821
Office Equipment - at cost	\$ 30,000	\$ -
Less Prov'n for Depreciation	\$ <u>1,212</u>	-
	28,788	-
	<u>98,911</u>	<u>82,915</u>

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2015

2014

NOTE 7 - Current

Credit Cards	25,797	28,611
Trade Creditors	325,988	165,532
Accrued Expenses	51,875	30,564
	<u>\$ 403,660</u>	<u>\$ 224,707</u>

NOTE 8 - Current

Provision for Income Tax	<u>\$ 98,845</u>	<u>\$ -</u>
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NOTE 9 - Contingent Liability

The company has given a bank guarantee of A\$38258 to a bank in respect of its office lease, secured by a bank term deposit.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
A.C.N 104 838 440
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
		\$
Cashflows from Operating Activities:		
Receipts from Customers	9,977,906	8,361,236
Payments to Suppliers & Employees	-9,694,041	-7,563,858
Interest Received	33,710	18,903
Interest Paid	-4,541	-5,392
Net Cash Provided by Operating Activities(per Note below):	313,034	810,889
Cashflows to Investing Activities:		
Payments for Cars & Equipment	-30908	-43,554
Proceeds of Disposals of Furniture		5,000
	-30,908	-38,554
Cashflows from Financing Activities		
Dividends Paid	-	-856,078
Net increase in Cash	282,126	-83,743
Cash at the beginning of the financial year	954,793	1,038,536
Cash at the end of the financial year	1,236,919	954,793
Cash at the end of the Financial year:		
Petty Cash	1,014	1,014
Main account	123,150	123,150
Bank Guarantee	38,258	38,258
Term Deposit	20,120	20,120
Business account	772,251	772,251
Cash at the end of the financial year	1,236,919	954,793

Note to the Statement of Cashflows

Reconciliation of Net Cash provided by Operating Activities to Profit for the financial year:

	\$	\$
Profit after Income Tax	1,193,748	763,839
Depreciation & Amortisation	14,912	30,274
Increase in Inventory	-493,904	-165,717
Increase in Trade Creditors & Accruals	178,954	53,552
Decrease in Taxes Payable	266,011	-274,675
Decrease in Trade Debtors & Prepayments	-846,687	403,616
Net Cash provided by Operating Activities	313,034	810,889