Strategic Report, Report of the Director and

Annual Report and Financial Statements for the Year Ended 31 March 2018

for

Marksans Pharma U.K. Limited

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for the Year Ended 31 March 2018

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Company Information
for the Year Ended 31 March 2018

DIRECTORS:	Mr M Saldanha Mr J Sharma Mr S Jayanna Mrs S Saldanha Mr R D Williams
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Cheshire House Gorsey Lane Widnes WA8 ORP
REGISTERED NUMBER:	05467597 (England and Wales)
AUDITORS:	PBG Associates Ltd Chartered Accountants and Registered Auditors 65 Delamere Road, Hayes, Middlesex UB4 0NN

Strategic Report
for the Year Ended 31 March 2018

The directors present the strategic report and financial statements for the year ended 31 March 2018.

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

The directors consider the results of Bell, Sons & Co. (Druggists) Limited for the year to be satisfactory. During the year like for like sales increased from £15,984,125 to £18,021,449 and the profit on ordinary activities before taxation was £133,914 (2017: £54,750). 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 £10,136,541 to £24,096,505 and the profit on ordinary activities before taxation was £ 3,927,468 (2017: £781,692 loss).

The business model of company is to secure sustained profitable growth via a change in 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 there for 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 relationship with suppliers (in particular its parent Marksans Pharma Limited), to enable negotiation and control management of potential future price increases and secure reliable supply. In addition, production methods are constantly being reviewed to ensure the most efficient operation 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 group profit for the year, after taxation, amounted to £2,894,150 (2017: £985,606 loss)

ON BEHALF OF THE BOARD:

....
M Saldanha - Director / Jitendra Sharma. Director.

Date: 25 May 2018

The directors present their group annual report and financial statements for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES
The principle activity of the company continued to be that of a holding company.

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

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

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr. R Williams
Mr S Jayanna

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

No ordinary dividends were paid. The directors do not recommend the payment of final dividend.

AUDITORS
The auditors Kingston Smith LLP have resigned and new auditors PBG Associates Ltd are appointed under section 487(1) of the Companies Act, 2006.

The auditors PBG Associates Ltd will be proposed for reappointment at the forthcoming Annual General Meeting.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The directors are responsible for preparing the group annual report and the financial statements in accordance with applicable law and regulation.

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 Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

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M Saldanha -Director / Jitendra Sharma. Director.

Date: 25 May 2018

Independent Auditors' Report to the members of Marksans Pharma U.K. Limited
For the year ended 31 March 2018

We have audited the financial statements of Marksans Pharma Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Total Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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;
- we have not received all the information and explanations we require for our audit; ; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Devender Arora ACA
Senior Statutory Auditor

PBG Associates Ltd
Chartered Accountants and Statutory Auditors
65 Delamere Road,
Hayes, Middlesex
UB4 0NN
Date: 25 May 2018

Consolidated Statement of Total Comprehensive Income for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	39,398,419	24,993,709
Cost of sales		(31,371,569)	(22,156,122)
Gross profit		8,026,850	2,837,587
Distribution costs		(1,240,121)	(952,729)
Administrative expenses		(2,883,379)	(2,722,651)
Other operating income		23,285	-
Operating (loss)/profit	3	3,926,635	(837,793)
Interest receivable and similar charges	6	1,664	800
Interest payable and similar charges	7	(225,181)	(235,460)
(Loss)/profit on ordinary activities before taxation		3,703,118	(1,072,453)
Tax on profit on ordinary activities	8	808,967	86,847
(Loss)/profit on ordinary activities after taxation		2,894,151	(985,606)

Total comprehensive income for the year is all attributable to the owners of the parent company

Marksans Pharma U.K. Limited

Group Balance Sheet
For the year ended 31 March 2018

	Notes		2018		2017
			£		£
Fixed assets					
Goodwill	9		2,825,173		3,111,030
Other intangible assets	9		2,774,582		2,741,543
Total intangible assets			5,599,755		5,852,573
Tangible assets	10		3,042,155		3,109,390
			8,641,910		8,961,963
Current assets					
Stocks	14	11,096,689		8,472,493	
Debtors	15	6,507,565		5,130,941	
Cash at bank and in hand		2,229,217		1,478,312	
		19,833,471		15,081,746	
Creditors: amounts falling due within one year	16	(15,615,172)		(14,077,651)	
Net current assets			4,218,299		1,004,095
Total assets less current liabilities			12,860,209		9,966,058
Provisions for liabilities	16		(102,488)		(102,488)
Net assets			12,757,721		9,863,570
Capital and reserves					
Called up share capital	21		8,596,941		8,596,941
Profit and loss reserves			4,160,780		1,266,629
Shareholder's funds			12,757,721		9,863,570

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

M Saldanha- Director

Jitendra Sharma.
Director.

continued...

Company Balance Sheet
For the year ended 31 March 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Investments	11		20,326,514		20,326,514
Current assets					
Debtors	15	34,957		34,957	
Creditors: amounts falling due within one year	16	(5,189,841)		(5,171,086)	
Net current liabilities			(5,154,884)		(5,136,129)
Total assets less current liabilities			15,171,630		15,190,385
Capital and reserves					
Called up share capital	21		8,596,941		8,596,941
Profit and loss reserves			6,574,689		6,593,444
Shareholder's funds			15,171,630		15,190,385

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

M Saldanha- Director
Jitendra Sharma.
Director.

The notes form part of these financial statements

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Group Statement of Changes in Equity
for the Year Ended 31 March 2018

	Notes	Share Capital £	Profit and loss reserves £	Total £
Balance at 1 April 2017		8,492,565	2,252,235	10,744,800
Period ended 31 March 2017				
Loss and total comprehensive income for the year		-	(985,606)	(985,606)
Issue of share capital	21	104,376		104,376
		8,596,941	1,266,629	9,863,570
Balance at 31 March 2017				
Period ended 31 March 2018:				
Loss and total comprehensive income for the year		-	2,894,151	2,894,151
Balance at 31 March 2018		8,596,941	4,160,780	12,757,721

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Company Statement of Changes in Equity
for the Year Ended 31 March 2018

	Notes	Share Capital £	Profit and loss reserves £	Total £
Balance at 1 April 2017		8,492,565	6,601,944	15,094,509
Period ended 31 March 2017				
Loss and total comprehensive income for the year		-	(8,500)	(8,500)
Issue of share capital	21	104,376		104,376
		8,596,941	6,593,444	15,190,385
Balance at 31 March 2017				
Period ended 31 March 2018:				
Loss and total comprehensive income for the year			(18,755)	(18,755)
Balance at 31 March 2018		8,596,941	6,574,689	15,171,630

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1.1 STATUTORY INFORMATION

Company Information
Marksans Pharma U.K. Limited ("The Company") is a Limited company domiciled and incorporated in England and Wales. The registered office is Cheshire House, Gorsey Lane, Widnes, Cheshire, WA8 0RP.

The group consists of Marksans Pharma U.K. Limited and all of its subsidiaries.

1.2 ACCOUNTING POLICIES

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.
As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £18,755(2016- £8,500 loss).

Basis for consolidation
The consolidated financial statements incorporate those of Marksans Pharma U.K. Limited and all of its subsidiaries (i.e. entities that Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2018.

All intra group transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred and assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Turnover

Turnover comprises revenue recognized by company in respect of goods supplied during the year, exclusive of Value Added Taxes and trade discounts based on the date goods are dispatched.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity and the costs incurred or to be incurred in respect of transactions can be measured reliably.

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1.2 ACCOUNTING POLICIES -continued

Intangible fixed assets – 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 amortized to the profit and loss account over its estimated economic life of 20 years.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired on business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis

Patents	10% Straight Line
Prescription product licenses	5% Straight Line

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold Building	2% straight
Plant and machinery	20% reducing method
Fixtures and Fittings	25% reducing balance

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

Impairment of Fixed Asset

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of impairment loss (if any).

Where it is not possible to estimate recoverable amount of an individual asset, the company estimates the recoverable amount of cash generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

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1.2 ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognized in company's statement of financial position when the group became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

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

Other Financial Assets
Other financial assets including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognized in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

continued...

1.2 ACCOUNTING POLICIES – continued

Derecognition of Financial Asset
Financial assets are derecognized only when contractual rights to the cash flow from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownership are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest method.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

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

Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represent the sum of the tax currently payable and deferred tax.

Current Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax
Deferred tax liability is generally recognized for all timing differences and deferred tax asset is recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognized if the timing differences arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged or credited in profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity. Deferred tax assets and liability are offset if, and only if there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

continued...

1.2 ACCOUNTING POLICIES – continued

Employee benefits
The cost of short term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed assets.
The costs of any unused holiday entitlement is recognized in the period in which the employee's services are received. Termination benefits are recognized immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Foreign Exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Judgement and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

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

Amortization of Product Licenses
The annual amortization charge for intangible assets is sensitive to changes in the estimated lives and residual values of assets. The useful economic lives and residual values are reviewed annually. These reviews require an estimation of how long each license is expected to be used based on expected sales of those licensed products. See note 9 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

2. TURNOVER

An analysis of company's turnover is as follows:

	2018	2017
	£	£
Turnover		
Sale of goods	39,398,419	24,993,709

	2018	2017
Other significant revenue	£	£
Interest income	1,664	800

The analysis of turnover by geographical markets has been omitted as the directors consider that this would be prejudicial to the interests of the group.

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3. OPERATING PROFIT

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

	2018	2017
	£	£
Depreciation - owned assets	209,846	231,942
Amortisation of intangible assets	549,774	535,094
Foreign exchange differences	(687)	14,189

3. AUDITORS REMUNERATION

Fees payable to the company's auditors

	2018	2017
	£	£
For audit services		
Audit of the financial statements of the group and company	4,000	4,250
Audit of the company's subsidiaries	18,000	20,000
For other services	2,000	-

4. EMPLOYEES AND DIRECTORS

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

	2018	2017
Production	142	149
Sales and Administration	15	18

Their aggregate remuneration comprised of:

	2018	2017
	£	£
Wages and salaries	4,097,641	3,737,416
Social security costs	353,406	334,726
Other pension costs	133,599	122,173
	4,584,646	4,194,315

During the year, no director (2017-none) of Marksans Pharma U.K. Limtied received any emoluments from Marksans Pharma U.K.Limited or any of its subsidiaries

During the year, retirement benefits were accruing to no directors (2017-none) of Marksans Pharma U.K.Limited in respect of defined contribution pension schemes.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Interest income	1,664	800

continued...

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank overdraft interest payable	221,235	234,289
Interest on finance leases and hire purchase contracts	3,946	1,171
	225,181	235,460

8. TAXATION

Analysis of the tax credit

The tax credit on the profit/(loss) for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	808,967	(86,847)
Tax on profit/ (loss)	808,967	(86,847)

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	808,967	(86,847)

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

	2018	2017
+	£	£
Profit before Taxation on continued operations	3,703,118	(1,072,453)
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 19% (2017-20%)	703,592	(214,491)
Tax effect of expenses that are not deductible in determining taxable profit	14,448	10,601
Unutilised tax losses		12,202
Depreciation on assets not qualifying for tax allowances		201
Amortisation on assets not qualifying for tax allowances	89,195	92,285
Difference of Capital allowances and depreciation	1,732	9,452
Other tax adjustment	-	(97)
Tax Expense for the year	808,967	(86,847)

continued...

9. INTANGIBLE FIXED ASSETS

	Goodwill	Patents	Prescription product licences	Total
	£	£	£	£
Cost				
At 1 April 2017	5,717,140	58,950	4,866,894	10,642,984
Additions			298,456	298,456
Disposals		(2,500)		(2,500)
At 31 March 2018	5,717,140	56,450	5,165,350	10,938,940
Amortisation and impairment				
At 1 April 2017	2,606,110	35,337	2,148,964	4,790,411
Amortisation charged for the year	285,857	5,651	258,266	549,774
Eliminated in respect of disposals		(1,000)		(1,000)
At 31 March 2018	2,891,967	39,988	2,407,230	5,339,185
Carrying amount				
At 31 March 2018	2,825,173	16,462	2,758,120	5,599,755
At 31 March 2017	3,111,030	23,613	2,717,930	5,852,573

The company had no intangible assets as at March 31, 2018 (2017- Nil)

10. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Furniture and Fixture	Totals
	£	£	£	£
COST				
At 1 April 2017	2,371,743	4,391,804	15,016	6,778,562
Additions	-	159,349	3,135	162,484
Disposals	-	(63,815)	-	(63,815)
At 31 March 2018	2,371,743	4,487,338	18,151	6,877,232
DEPRECIATION				
At 1 April 2017	171,491	3,489,458	8,223	3,669,172
Charge for year	46,165	160,051	3,630	209,846
Eliminated on disposal	-	(43,941)	-	(43,941)
At 31 March 2018	217,656	3,605,568	11,853	3,835,077
NET BOOK VALUE				
At 31 March 2018	2,154,087	881,770	6,298	3,042,155
At 31 March 2017	2,200,252	902,346	9,928	3,109,390

The company had no tangible assets as at 31 March, 2018(2017- Nil)

continued...

11. FIXED ASSET INVESTMENTS

	Notes	Group		Company	
		2018	2017	2018	2017
		£	£	£	£
Investments in subsidiaries	12	-	-	20,326,514	20,326,514

12. SUBSIDIARIES

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking and country of incorporation of residency		Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Marksans Holdings Limited	England and Wales	Holding Company	Ordinary	100	-
Bell, Sons &Co (Druggists) Limited	England and Wales	Pharmaceuticals	Ordinary	-	100
Relonchem Limited	England and Wales	Pharmaceuticals	Ordinary	100	-

13. FINANCIAL INSTRUMENTS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Carrying amount of financial assets	6,507,565	4,947,131	34,957	34,957
Debt instruments measured at amortised costs				
Carrying amount of financial liabilities				
Measured at amortised costs	7,049,860	13,856,338	5,189,841	5,171,086

14. STOCKS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials and consumables	1,298,749	1,161,568	-	-
Finished goods and goods for resale	9,797,940	7,310,925	-	-
	11,096,689	8,472,493	-	-

continued...

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	6,366,337	4,688,885	-	-
Corporation tax recoverable	-	86,847	-	-
Amounts due from fellow group undertakings	-	-	34,957	34,957
Other debtors	56,031	258,246	-	-
Prepayments and accrued income	85,197	96,963	-	-
	6,507,565	5,130,941	34,957	34,957

Trade Debtors disclosed above are measured at amortised cost.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Notes	Group 2018	Group 2017	Company 2018	Company 2017
		£	£	£	£
Loans and overdrafts	17	3,680,426	4,502,284	- -	
Corporation tax payable		800,521	-		
Other taxation and social security		244,068	221,313	- -	
Trade creditors		2,668,219	2,669,800	- -	
Amounts due to fellow group undertakings		7,520,723	6,146,282	5,178,061	5,159,306
Other creditors		12,120	68,478	-	-
Accruals and deferred income		689,095	469,494	11,780	11,780
		15,615,172	14,077,651	5,189,841	5,171,086

continued...

17. LOANS AND OVERDRAFTS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Loans and overdrafts				
Bank overdrafts	3,680,426	4,502,284	-	-
Payable within one year	3,680,426	4,502,284		-

18. PROVISIONS FOR LIABILITIES

	Notes	Group 2018	Group 2017	Company 2018	Company 2017
		£	£	£	£
Deferred tax liabilities	19	102,488	102,488		
Payable within one year		102,488	102,488		-

19. DEFERRED TAXATION

Deferred tax assets and liabilities are offset where the group or company has legal enforeceable right to do so. The following is the analysis of the deferred tax balances (after offset) for the financial reporting purpose.

	2018	2017
Group	£	£
Accelerated capital allowances	102,488	102,488

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

continued...

20. RETIREMENT BENEFIT SCHEMES

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	133,599	122,173

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21. SHARE CAPITAL

Ordinary share capital, issued and fully paid:

Number:	Class:	Nominal value:	31.3.18 £	31.3.17 £
8,596,941	Ordinary share capital	£1	8,596,941	85,96,941

22. OPERATING LEASES COMMITMENTS

Leases

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

At 31 March 2018 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Within one year	80,182	91,402		
Between two and five years	78,826	178,951		
	159,008	270,353		-

continued...

23. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
Remuneration of key management personnel, including those who are also director, is as follow

	2018	2017
	£	£
Aggregate compensation	540,720	293,308

The company has taken exemption from disclosing related party transactions with companies under the same control in accordance with FRS 102-Section 33 "Related Party Disclosures"

At the year end, balance of £40,000 (2017-£40,000) was due to Relonchem Limited from Mr. S Jayanna , a group director.

24. CASH FLOW EXEMPTION

The group and company, being member of the group wherein the ultimate parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

25. CONTROLLING PARTY

The immediate parent undertaking is Marksans Pharma Limited, a company incorporated in India.
Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai- 400 002, Maharashtra.

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

26. PREVIOUS YEAR FIGURES

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

Report of the Directors and

Financial Statements for the Year Ended 31 March 2018

for

Marksans Holdings Limited

Marksans Holdings Limited

Contents of the Financial Statements
for the Year Ended 31 March 2018

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Marksans Holdings Limited

Company Information
for the Year Ended 31 March 2018

DIRECTORS:	Mr. M Saldanha	
	Mrs. S Saldanha	(Appointed 31 March 2017)
	J Sharma	(Appointed 31 March 2017)
	Mr. S Jayanna	(Appointed 31 March 2017)
	R Williams	(Appointed 31 March 2017)

SECRETARY: Mrs G Jacks

REGISTERED OFFICE:
Cheshire House
Gorsey Lane
Widnes
Cheshire
WA8 0RP

REGISTERED NUMBER: 05591744 (England and Wales)

AUDITORS:
PBG Associates Ltd
Chartered Accountants and Registered Auditors
65 Delamere Road,
Hayes, Middlesex
UB4 0NN

Marksans Holdings Limited

Report of the Directors
for the Year Ended 31 March 2018

The directors present their annual report and financial statement for the year ended 31 March 2018.

PRINCIPAL ACTIVITY
The principle activity of the company continued to be that of a holding company. The company holds the entire share capital of Bell, Sons & Co. (Druggists) Limited, a company that Manufactures pharmaceuticals products.

The company had not traded during the year.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2018.

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

Mr. M Saldanha	
Mr. S Jayanna	(Appointed 31 March 2017)
Mr. J Sharma	(Appointed 31 March 2017)
Mrs. S Saldanha	(Appointed 31 March 2017)
Mr. R Williams	(Appointed 31 March 2017)

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

No ordinary dividends were paid. The directors do not recommend the payment of final dividend

AUDITORS
PBG Associates Ltd were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be appointed will be put at a general meeting.

STATEMENT OF DISCLOSURE TO AUDITORS
So far as each person who has a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
Mr. M Saldanha - Director/Mr. Jitendra Sharma - Director

Date: 25 May 2018

Marksans Holdings Limited

Directors' Responsibilities Statement
for the Year Ended 31 March 2018

The directors are responsible for preparing annual report and financial statement in accordance with applicable law and regulation.

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

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Opinion

We have audited the financial statements of Marksans Holdings Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Date: 25 May 2018

Marksans Holdings Limited

Income Statement
for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
TURNOVER		-	-
OPERATING PROFIT and PROFIT BEFORE TAXATION		-	-
Tax on profit	5	-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
PROFIT FOR THE YEAR		-	-
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The notes form part of these financial statements

Balance Sheet
31 March 2018

	Notes	31.3.18 £	31.3.17 £
FIXED ASSETS			
Investments	6	1,490,874	1,490,874
TOTAL ASSETS LESS CURRENT LIABILITIES		1,490,874	1,490,874
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Share premium	8	1,489,874	1,489,874
SHAREHOLDERS' FUNDS		1,490,874	1,490,874

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

....
Mr. M Saldanha - Director / Mr. Jitendra Sharma - Director

The notes form part of these financial statements

Marksans Holdings Limited

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2016	1,000	-	1,489,874	1,490,874
Changes in equity	-	-	-	-
Balance at 31 March 2017	1,000	-	1,489,874	1,490,874
Changes in equity	-	-	-	-
Balance at 31 March 2018	1,000	-	1,489,874	1,490,874

The notes form part of these financial statements

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Accounting policies
Company information

Marksans Holdings Limited is a company limited by shares incorporated in England and Wales. The register office is Cheshire House, Gorsey Lane, Widnes, WA8 ORP.

Cash Flow Exemption
The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

The company has taken advantage of exemption under section 400 of Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Marksans Holdings Limited is a Wholly subsidiary of Marksans Pharma U.K. Limited and the results of Marksans Pharma U.K. Limited are included in the consolidated Financial Statement of Marksans Pharma U.K. Limited which are available from Companies House, Cardiff, CF 14 3UZ.

Going concern
At the time of approving the financial statement, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts are shown within borrowings in current liabilities.

Fixed asset investment
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognized immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments

The comply elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments. Financial assets and liabilities are offset, with the net amount presented in the financial statements. When there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets

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

Other financial asset

Other financial assets including investment in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the change in fair value are recognize in profit or loss, except that investment in equity instruments that are not publicly traded and whose fair values can not be measured reliably are measured at cost less impairment.

Trade debtor, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "Loans and receivables" loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest is recognized by applying the effective interest rate, except for short term receivable when the recognition of interest would be immaterial. The effective interest rate method is a method of calculating the amortize cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the effective expected life of the debt instrument tó the net carrying amount on initial recognition.

Impairment of Financial Assets

Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Derecognition of Financial Asset

Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownerships are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

continued...

2. ACCOUNTING POLICIES - continued

Basic Financial Liabilities

Basic financial liabilities including trade and other payables, bank loan, loan from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest.
Debt instruments are subsequently carried at cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method.

Other Financial Liability

Derivatives, including interest rate swap and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re measured at fair value. Changes in the fair values of derivatives are recognized in profit or loss in finance costs or finance income as appropriate unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is an contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Derecognition of Financial Liability

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

Equity instruments

Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company.

3. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was nil (2017: Nil).

4. OPERATING PROFIT

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

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2018 nor for the year ended 31 March 2017.

continued...

6. FIXED ASSET INVESTMENTS

	2018	2017
	£	£
Investments in subsidiaries	1,490,874	1,490,874

The company has not designed any financial assets that are not classified as financial assets as fair value through profit or loss.

Movement in Fixed assets investments

	Investment in Subsidiary Company
	£
Cost	
At 1 April 2016 & 31 March 2017	1,490,874
Carrying amount	
At 31 March 2018	1,490,874
At 31 March 2017	1,490,874

Subsidiaries

These financial statements are separate company financial statements for Marksans Holdings Limited.

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Country of Incorporation	Nature of business	Class of Shareholding	% Held Direct indirect
Bell, Sons & Co. (Druggists) Limited	England and Wales	Pharmaceutical	Ordinary	100.00

The aggregate capital and reserve and the result for the year of the subsidiaries noted above was as follow:

Name of undertaking	Profit/(Loss)	Capital and Reserve
	£	£
Bell, Sons & Co.(Druggists) Limited	109,090	5,039,008

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.18	31.3.17
			£	£
1,000	Ordinary Share Capital	£1	1,000	1,000

continued...

8. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2017	-	1,489,874	1,489,874
Profit for the year	-		-
At 31 March 2018	-	1,489,874	1,489,874

9. CONTROLLING PARTY

The immediate parent undertaking is Marksans Pharma U.K. Limited, a company registered in England and Wales.

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

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

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

Strategic Report, Report of the Director and

Financial Statements for the Year Ended 31 March 2018

for

Bell, Sons & Co.(Druggists) Limited

Bell, Sons & Co.(Druggists) Limited

Contents of the Financial Statements
for the Year Ended 31 March 2018

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Bell, Sons & Co.(Druggists) Limited

Company Information
for the Year Ended 31 March 2018

DIRECTORS:	Mr M Saldanha Mr J Sharma Mr S Jayanna Mrs S Saldanha Mr R D Williams
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Gifford House Slaidburn Crescent Southport Merseyside PR9 9AL
REGISTERED NUMBER:	00351951 (England and Wales)
AUDITORS:	PBG Associates Ltd Chartered Accountants and Registered Auditors 65 Delamere Road, Hayes, Middlesex UB4 0NN

Bell, Sons & Co.(Druggists) Limited

Strategic Report
for the Year Ended 31 March 2018

The directors present the strategic report and financial statement for the year ended 31 March 2018.

FAIR REVIEW OF BUSINESS

The directors consider the result for the period to be satisfactory. During the period like for like sales increased from £15,984,125 to £18,021,449 and the profit on ordinary activities before taxation was £133,914 (2017: £54,750). 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 from 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 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.

Principle risk and uncertainties arise from a competitive market.

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

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

The profit for the year, after taxation, amounting to £109,090 (2017: £54,750).

ON BEHALF OF THE BOARD:

....

J Sharma - Director

Date: 25 May 2018

Report of the Directors
for the Year Ended 31 March 2018

The directors present their annual report and financial statement for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES
The principle activity of the company continued to be that of manufacturer and sale of pharmaceuticals.

DIRECTOR
The directors who holds office during the year and up to the date of signature of financial statements were as follow:

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr. R Williams
Mr S Jayanna

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

No ordinary dividends were paid. The directors do not recommend the payment of final dividend.

AUDITORS
The auditors Kingston Smith LLP have resigned and new auditors PBG Associates Ltd are appointed under section 487(1) of the Companies Act, 2006.

The auditors PBG Associates Ltd will be proposed for reappointment at the forthcoming Annual General Meeting.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The directors are responsible for preparing annual report and financial statements in accordance with applicable law and regulation.

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 Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for the period.in preparing these financial statements, the directors are required to:

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

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

STATEMENT OF DISCLOSURE TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
J Sharma -Director

Date: 25 May 2018

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

Opinion
We have audited the financial statements of Bell, Sons & Co.(Druggists) Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Devender Arora ACA
Senior Statutory Auditor

PBG Associates Ltd
Chartered Accountants and Statutory Auditors
65 Delamere Road,
Hayes, Middelsex
UB4 0NN

Date: 25 May 2018

Bell, Sons & Co.(Druggists) Limited

Income Statement
for the Year Ended 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
TURNOVER	3		18,021,449		15,984,125
Cost of sales			15,389,477		13,498,286
GROSS PROFIT			2,631,972		2,485,839
Distribution costs		1,240,121		952,729	
Administrative expenses		1,175,762		1,316,171	
			2,415,883		2,268,900
			216,089		216,939
Other operating income	3		72,138		800
OPERATING PROFIT	5		288,227		217,739
Interest payable and similar expenses	6		154,313		162,989
PROFIT BEFORE TAXATION			133,914		54,750
Tax on profit	7		24,824		-
PROFIT FOR THE FINANCIAL YEAR			109,090		54,750

All amounts relate to continuing operations

Bell, Sons & Co.(Druggists) Limited

Other Comprehensive Income
for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		109,090	54,750
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		109,090	54,750

The notes form part of these financial statements

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

Balance Sheet
31 March 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		16,462		23,613
Tangible assets	9		3,035,857		3,102,598
			3,052,319		3,126,211
CURRENT ASSETS					
Stocks	10	5,173,382		3,669,598	
Debtors	11	4,674,307		4,359,787	
Cash in hand		934,920		1,002,953	
		10,782,609		9,032,338	
CREDITORS					
Amounts falling due within one year	12	8,693,432		7,126,143	
NET CURRENT ASSETS			2,089,177		1,906,195
TOTAL ASSETS LESS CURRENT LIABILITIES			5,141,496		5,032,406
PROVISIONS FOR LIABILITIES	13		102,488		102,488
NET ASSETS			5,039,008		4,929,918
CAPITAL AND RESERVES					
Called up share capital	14		6,334		6,334
Revaluation reserve	15		1,037,692		1,037,692
Retained earnings	15		3,994,982		3,885,892
			5,039,008		4,929,918

The financial statements were approved by the Board of Directors on .... and were signed by:

....
J Sharma -Director

The notes form part of these financial statements

Bell, Sons & Co.(Druggists) Limited

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2016	6,334	3,828,769	1,040,065	4,875,168
Changes in equity				
Total comprehensive income	-	54,750	-	54,750
Transfers		2,373	(2,373)	
Balance at 31 March 2017	6,334	3,885,892	1,037,692	4,929,918
Changes in equity				
Total comprehensive income	-	109,090	-	109,090
Balance at 31 March 2018	6,334	3,994,982	1,037,692	5,039,008

The notes form part of these financial statements

1. STATUTORY INFORMATION

Bell, Sons & Co. (Druggists) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Turnover

Turnover comprises revenue recognized by company in respect of goods supplied during the year, exclusive of Value Added Taxes and trade discounts based on the date they are dispatched.

Revenue from the sale of goods to be recognized when significant risks and rewards of ownerships of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity and the costs incurred or to be incurred in respect of transactions can be measured reliably.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from business are recognized at cost and are subsequently measured at cost less accumulated and accumulated impairment losses. Intangible assets acquired on business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis

Patents	10% Straight Line

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.
Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on free hold land. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each assets over its expected useful life, as follows;

Freehold Building	2% cost or valuation
Plant and machinery	20% reducing method

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

continued...

2. ACCOUNTING POLICIES - continued

Impairment of Fixed Assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of impairment loss (if any).

Whether it is not possible to estimate recoverable amount of an individual asset, the company estimates the recoverable amount of cash generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued at their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Stocks

Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of carrying amount of stocks over its estimated selling price less costs to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Cash Flow Exemption

The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The company elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments.

Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets

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

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Impairment of Financial Assets

Financial Assets other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Derecognition of Financial Asset

Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownership are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest method.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

continued...

2. ACCOUNTING POLICIES - continued

Derecognition of Financial Liability
Financial liabilities are derecognized when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments
Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of company.

Employee benefits
The cost of short term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed assets. Termination benefits are recognized immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Foreign Exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Taxation
The tax expenses represent the sum of the tax currently payable and deferred tax.
Current Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax
Deferred tax liability is generally recognized for all timing differences and deferred tax asset is recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognized if the timing differences arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged of credited in profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity. Deferred tax assets and liability are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax asset and liabilities relate to taxes levied by the same tax authority.

continued...

3. TURNOVER

An analysis of company's turnover is as follows:

	2018	2017
	£	£
Turnover		
Sale of goods	18,021,449	15,984,125

	2018	2017
Other significant revenue	£	£
Interest income	1,664	800
Others	70,474	-

4. EMPLOYEES AND DIRECTORS

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

	2018	2017
Production	133	141
Sales and Administration	15	18
	148	159

Their aggregate remuneration comprised of:

	2018	2017
	£	£
Wages and salaries	3,414,461	3,382,710
Social security costs	277,053	296,469
Other pension costs	104,366	118,673
	3,795,880	3,797,852

Director's remuneration

	2018	2017
	£	£
Remuneration for qualifying services	86,870	86,870
Company pension contributions to defined contribution schemes	6,959	6,959

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017-1)

continued...

5. OPERATING PROFIT

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

	2018	2017
	£	£
Other operating leases	99,263	106,925
Depreciation - owned assets	206,216	228,937
Loss on disposal of fixed assets	6,374	-
Patents and licences amortisation	5,651	5,892
Cost of stock recognised as an expenses	10,771,312	8,913,570
Auditors' remuneration:*		
for audit services	8,000	10,000
for other services	1,000	
Foreign exchange differences	(687)	14,149

* Excess provision of Audit fees of previous year has been adjusted in the current year.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank overdraft interest payable	153,142	161,818
Bank loan interest payable	1,171	1,171
	154,313	162,989

7. TAXATION

Analysis of the tax credit

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	24,824	-
Tax on profit/ (loss)	24,824	-

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	24,824	-

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

	2018	2017
	£	£
Profit before Taxation on continued operations	133,914	54,750
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 19% (2017-20%)	25,444	10,950
Tax effect of expenses that are not deductible in determining taxable profit	1,211	-
Group relief	(3,563)	(20,305)
Difference of Capital allowances and depreciation	1,732	9,452
Other tax adjustment	-	(97)
Tax Expense for the year	24,824	(10,950)

continued...

8. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2017	58,950
Disposals	(2,500)
At 31 March 2018	56,450
AMORTISATION	
At 1 April 2017	35,337
Amortisation for year	5,651
Eliminated on disposal	(1,000)
At 31 March 2018	39,988
NET BOOK VALUE	
At 31 March 2018	16,462
At 31 March 2017	23,613

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant and machinery £	Totals £
COST			
At 1 April 2017	2,371,743	4,391,804	6,763,547
Additions	-	159,349	159,349
Disposals	-	(63,815)	(63,815)
At 31 March 2018	2,371,743	4,487,338	6,859,081
DEPRECIATION			
At 1 April 2017	171,491	3,489,458	3,660,949
Charge for year	46,165	160,051	206,216
Eliminated on disposal	-	(43,941)	(43,941)
At 31 March 2018	217,656	3,605,568	3,823,224
NET BOOK VALUE			
At 31 March 2018	2,154,087	881,770	3,035,857
At 31 March 2017	2,200,252	902,346	3,102,598

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

	2018 £	2017 £
Cost	1,796,527	1,796,527
Accumulated depreciation	791,291	755,360
Carrying value	1,005,236	1,041,167

Freehold land with a valuation of £550,000 (2017: £550,000) and a cost of £268,500 (2017: £ 268,500) has not been depreciated. The Property was externally valued on 31st march 2013 at £2,300,000by Eddisons Chartered Surveyors on an open market basis. The Directors are not aware of any material changes in value subsequently.

continued...

10. STOCKS

	2018	2017
	£	£
Raw materials and consumables	1,298,749	1,161,568
Finished goods and goods for sales	3,874,633	2,508,030
	5,173,382	3,669,598

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	3,014,956	2,756,199
Amounts owed by group undertakings	1,584,196	1,516,120
Other debtors	-	10,054
Prepayments and accrued income	75,155	77,414
	4,674,307	4,359,787

Trade Debtors disclosed above are measured at amortised cost.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	2,049,422	2,033,325
Loans and overdrafts	2,987,651	3,111,180
Amounts owed to group undertakings	3,011,814	1,296,582
Social security and other taxes	183,036	203,642
Other creditors	12,120	68,478
Corporation tax payable	20,646	-
Accruals and deferred income	428,743	412,936
	8,693,432	7,126,143

13. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax (Accelerated Capital Allowances)	102,488	102,488

These are the major deferred tax liabilities and assets recognised by the company and there were no movements in the year.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
6,334	Ordinary share capital	£1	6,334	6,334

15. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2017	3,885,892	1,037,692	4,923,584
Profit for the year	109,090		109,090
At 31 March 2018	3,994,982	1,037,692	5,032,674

16. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,599,152	4,282,373
Carrying amount of financial liabilities		
Measured at amortised cost	8,489,750	6,922,501

17. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank overdrafts	2,987,651	3,111,180

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.

18. OPERATING LEASES COMMITMENTS

At 31 March 2018 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Expiry Date:		
Within one year	80,182	91,402
Between two to five years	78,826	178,951

19. PENSION COMMITMENTS

Defined contribution schemes
The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £ 104,367 (2017-£ 118,673)

20. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
Remuneration of key management personnel, including those who are also director, is as follow

	2018 £	2017 £
Aggregate compensation	245,311	172,440

The company has taken the exemption from disclosing related party transactions with companies under the same control in accordance with FRS 102-Section 33 "Related Party Disclosures"

21. CONTROLLING PARTY

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

The parent undertaking of the smallest group for which the consolidated accounts are prepared is Marksons Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF 14 3 UZ.

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

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

22. PREVIOUS YEAR FIGURES

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

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2018

for

Relonchem Limited

Relonchem Limited

Contents of the Financial Statements
for the Year Ended 31 March 2018

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Company Information
for the Year Ended 31 March 2018

DIRECTORS:	Mr M Saldanha Mr J Sharma Mr S Jayanna Mrs S Saldanha Mr R D Williams
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	27 Old Gloucester Street London WC1 3XX
REGISTERED NUMBER:	04773758 (England and Wales)
AUDITORS:	PBG Associates Ltd Chartered Accountants and Registered Auditors 65 Delamere Road, Hayes, Middlesex UB4 0NN

Relonchem Limited

Strategic Report
for the Year Ended 31 March 2018

The directors present the strategic report and financial statement for the year ended 31 March 2018.

FAIR REVIEW OF THE BUSINESS
During the period sales increased from £10,136,541 to £24,096,505 and company's profit on ordinary activities before taxation was £ 3,927,468 (2017: £781,692 loss). The directors expect turnover and the profit on ordinary activities to further increase in the forthcoming years.

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

Principle risk and uncertainties arise from a competitive market.

The company is able to manage the risk by utilizing 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 licenses, to meet market needs.

The Profit for the year, after taxation, amounting to £ 3,143,325(2017: £694,845 profit)

ON BEHALF OF THE BOARD:

....
Director M B Saldanha - Director / Jitendra Sharma - Director

Date: 25 May 2018

Report of the Directors
for the Year Ended 31 March 2018

The directors present their annual report and financial statement for the year ended 31 March 2018.

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

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2018.

DIRECTORS
The directors who held office during the year and upto the date of signature of financial statement were as follow:

Mr M Saldanha
Mr J Sharma
Mr S Jayanna
Mrs S Saldanha
Mr R Williams

RESULTS AND DIVIDENDS
The results for the year are set out on page 7.
No ordinary dividends were paid. The directors do not recommend the payment of final dividend.

AUDITORS
The auditors Kingston Smith LLP have resigned and new auditors PBG Associates Ltd are appointed under section 487(1) of the Companies Act, 2006.

The auditors PBG Associates Ltd will be proposed for reappointment at the forthcoming Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing annual report and 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 the United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
M Saldanha - Director / Jitendra Sharma - Director

Date: 25 May 2018

Opinion
We have audited the financial statements of Relonchem Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

PBG Assoc

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

Date: 25 May 2018

Relonchem Limited

Income Statement
for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
TURNOVER	2	24,096,505	10,136,541
Cost of sales		18,731,137	9,801,515
GROSS PROFIT		5,365,368	335,026
Administrative expenses		1,403,006	1,112,124
		3,962,362	(777,098)
Other operating income		35,974	67,877
OPERATING PROFIT/ (LOSS)	4	3,998,336	(709,221)
Interest payable and similar expenses	6	70,868	72,471
PROFIT/(LOSS) BEFORE TAXATION		3,927,468	(781,692)
Tax on profit/ (loss)	7	(784,143)	(86,847)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,143,325	(694,845)

All amounts relate to continuing operations

The notes form part of these financial statements

Relonchem Limited

Other Comprehensive Income
for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
PROFIT/ (LOSS) FOR THE YEAR		3,143,325	(694,845)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR		3,143,325	(694,845)

The notes form part of these financial statements

Balance Sheet
31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible assets	9		2,758,120		2,717,928
Tangible assets	10		6,298		6,793
			2,764,418		2,724,721
CURRENT ASSETS					
Stocks	11	6,118,820		4,944,755	
Debtors	12	9,595,925		7,483,594	
Cash in hand and at bank		1,294,297		475,359	
		17,009,042		12,903,708	
CREDITORS					
Amounts falling due within one year	13	9,529,525		8,527,819	
NET CURRENT ASSETS			7,479,517		4,375,889
TOTAL ASSETS LESS CURRENT LIABILITIES			10,243,935		7,100,610
CAPITAL AND RESERVES					
Called up share capital	16		2,300		2,300
Share premium	17		6,909,121		6,909,121
Retained earnings	17		3,332,514		189,189
SHAREHOLDERS' FUNDS			10,243,935		7,100,610

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

....
Mr M Saldanha / Mr. Jitendra Sharma - Director
Director

The notes form part of these financial statements

Relonchem Limited

Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2016	2,300	884,034	6,909,121	7,795,455
Changes in equity				
Total comprehensive income	-	(694,845)	-	(694,845)
Balance at 31 March 2017	2,300	189,189	6,909,121	7,100,610
Changes in equity				
Total comprehensive income	-	3,143,325	-	3,143,325
Balance at 31 March 2018	2,300	3,332,514	6,909,121	10,243,935

The notes form part of these financial statements

1. **ACCOUNTING POLICIES**

Accounting policies
Company information

Relonchem Limited is a company limited by shares incorporated in England and Wales. The registered office is 27 Old Gloucester Street, London, WC1 3XX

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

Going concern
At the time of approving the financial statements, the directors have a reasonable explanation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover
Turnover comprises revenue recognized by company in respect of goods supplied during the year, exclusive of Value Added Taxes and trade discount based on the date they are dispatched.

Revenue from sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity and the cost incurred or to be incurred in respect of transactions can be measured reliably.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated impairment losses. Intangible assets acquired in business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the asset less their residual values over their useful lives on the following basis;

Product licenses	5% Straight Line

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost or valuation of asset less their residual values over their useful lives on the following basis;

Fixtures, Fittings and Equipment	25% reducing balances

The gain or loss arising on the disposal of a fixed asset is determined as the difference between the sale proceeds and carrying value of the asset, and is credited or charged to profit or loss.

continued...

1. **ACCOUNTING POLICIES - continued**

Impairment of Fixed Assets

At each reporting end date, the company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate recoverable amount of an individual asset, the company estimates the recoverable amount of cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Stocks

Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of carrying amount of stocks over its estimated selling price less costs to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

continued...

1. **ACCOUNTING POLICIES - continued**

Financial instruments

The company has elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments.

Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets

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

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Impairment of Financial Assets

Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Derecognition of Financial Asset

Financial assets are derecognized when contractual right to the cash flow from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownership are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest method.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

continued...

1. **ACCOUNTING POLICIES - continued**

Derecognition of Financial Liability

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

Equity instruments

Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of company.

Employee benefits

The cost of short term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed assets. Termination benefits are recognized immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement Benefits

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

Leases

Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Foreign Exchange

Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Judgement and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Critical Judgements

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

Amortization of Product Licenses

The annual amortization charge for intangible assets is sensitive to changes in the estimated lives and residual values of assets. The useful economic lives and residual values are reviewed annually. These reviews require an estimation of how long each license is expected to be used based on expected sales of those licensed products. See note 9 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

2. **TURNOVER**

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

	2018	2017
	£	£
Turnover		
Sale of goods	24,096,505	10,136,541

The analysis of turnover by geographical markets has been omitted as the directors consider that this would be prejudicial to the interest of the company's trade.

3. EMPLOYEES AND DIRECTORS

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

	2018	2017
	9	8

Their aggregate remuneration comprised of:

	2018	2017
	£	£
Wages and salaries	683,180	354,706
Social security costs	76,353	38,257
Other pension costs	29,233	3,500
	788,766	396,463

Director's Remuneration

	2018	2017
	£	£
Remuneration for qualifying services	257,779	122,068

4. OPERATING PROFIT/(LOSS)

The operating profit (2017 - operating loss) is stated after charging/ (crediting):

	2018	2017
	£	£
Operating lease rents	26,572	24,178
Depreciation of owned tangible fixed assets	3,630	3,003
Amortisation of Intangible assets	258,266	243,345
Foreign exchange differences	-	40
Cost of stock recognised as expenses	17,002,072	8,451,309

5. AUDITORS' REMUNERATION

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

	2018	2017
	£	£
For audit services:		
Audit of the company's financial statements	8,000	11,500
For other services	1,000	-

continued...

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Interest payable and similar charges	70,868	72,471

7. TAXATION

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

	2018 £	2017 £
Current tax:		
UK corporation tax	784,143	(86,847)
Tax on profit/ (loss)	784,143	(86,847)

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	784,143	(86,847)

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

	2018 £	2017 £
Profit/ (Loss) before Taxation on continued operations	3,927,468	(781,692)
Profit/ (Loss) on ordinary activities before taxation multiplied by standard Rate of corporation tax of 19% (2017-20%)	746,219	(156,338)
Tax effect of expenses that are not deductible in determining taxable profit	3,042	369
Unutilized tax losses carry forward	-	12,202
Group relief	-	18,605
Depreciation in excess of capital allowances	(12)	201
Amortization of intangible assets	34,894	38,114
	37,924	69,491
Tax expense for the year	784,143	(86,847)

8. OPERATING LEASES COMMITMENTS

At 31 March 2018 the company had annual commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
Expiry Date:		
Within one year	167	-
Between one to two years	-	6,108

continued...

9. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2017	4,866,892
Additions	298,458
At 31 March 2018	5,165,350
AMORTISATION	
At 1 April 2017	2,148,964
Amortisation for year	258,266
At 31 March 2018	2,407,230
NET BOOK VALUE	
At 31 March 2018	2,758,120
At 31 March 2017	2,717,928

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2017	15,016
Additions	3,135
At 31 March 2018	18,151
DEPRECIATION	
At 1 April 2017	8,223
Charge for year	3,630
At 31 March 2018	11,853
NET BOOK VALUE	
At 31 March 2018	6,298
At 31 March 2017	6,793

continued...

11. STOCKS

	2018	2017
	£	£
Finished goods and goods for resale	6,118,820	4,944,755

Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	9,585,883	7,377,198
Carrying amount of financial liabilities		
Measured at amortised cost	8,688,618	8,510,148

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	3,351,381	1,932,686
Amounts owed by group undertakings	6,178,474	5,196,320
Other debtors	56,028	248,192
Corporation tax recoverable	-	86,847
Prepayments and accrued income	10,042	19,549
	9,595,925	7,483,594

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 14)	692,775	1,391,104
Trade creditors	618,797	636,475
Amounts owed to group undertakings	7,128,475	6,437,791
Social security and other taxes	61,032	17,671
Corporation tax Payable	779,875	-
Accruals and deferred income	248,571	44,778
	9,529,525	8,527,819

14. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdraft	692,775	1,391,104

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.

continued...

15. **CASH FLOW EXEMPTION**

The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
2,300	Ordinary share capital	£1	2,300	2,300

17. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 April 2017	189,189	6,909,121	7,098,310
Profit for the year	3,143,325		3,143,325
At 31 March 2018	3,332,514	6,909,121	10,241,635

18. **PENSION COMMITMENTS**

Defined contribution schemes

The company operated a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £ 29,233 (2017-£ 3,500)

19. **RELATED PARTY TRANSACTIONS**

Remuneration of key management personnel

Remuneration of key management personnel, including those who are also director, is as follow

	2018 £	2017 £
Aggregate compensation	322,374	120,868

The company has taken the exemption from disclosing related party transactions with companies under the same control in accordance with FRS 102-Section 33 "Related Party Disclosures"

At the year end a balance of £40,000 (2017: £40000) was due to Relonchem Limited from Mr. S Jayanna, a director of company.

continued...

20. **CONTROLLING PARTY**

The immediate parent undertaking is Marksans Pharma U.K Limited. The parent undertaking of the smallest group for which consolidated accounts are prepared is Marksons Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF 14 3 UZ.

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

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

21. **PREVIOUS YEAR FIGURES**

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

MARKSANS PHARMA, INC. AND SUBSIDIARIES

Consolidated Financial Statements

March 31, 2018

MARKSANS PHARMA, INC. AND SUBSIDIARIES

March 31, 2018

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Independent Auditors' Report

To the Board of Directors
MARKSANS PHARMA, INC. AND SUBSIDIARIES

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MARKSANS PHARMA, INC. AND SUBSIDIARIES, which comprise the consolidated balance sheet as of March 31, 2018 and the related consolidated statement of income, retained earnings and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MARKSANS PHARMA, INC. AND SUBSIDIARIES and its subsidiaries as of March 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Sarkar & Virmani, CPAs, P.C.

SARKAR, VIRMANI & Co., CPAs. P.C.

May 25, 2018

198A Market St, Elmwood Park, NJ 07407 | Tel: (201) 796 0649 | Fax: 516-243-7454 | www.Virmanicpa.com

MARKSANS PHARMA, INC. AND SUBSIDIARIES

Consolidated Balance Sheet

March 31, 2018

	2018
Assets	
Current Assets	
Cash	$ 584,797
Accounts receivable, net of allowances	13,085,644
Inventory	9,282,198
Other current assets	1,138,433
Total Current Assets	24,091,072
Property, plant and equipment, net of accumulated depreciation	11,121,539
Intangibles, net of accumulated amortization	8,083,667
Other long term assets	364,802
Total Assets	$ 43,661,080
Liabilities and Stockholders' Equity	
Current Liabilities	
Short term debt	$ 2,603,970
Accounts payable and accrued liabilities	8,516,549
Other current liabilities	1,111,995
Total Current Liabilities	12,232,514
Long term debt	7,000,000
Total Liabilities	19,232,514
Equity	
Common stock, $.01 pv; 200 shares auth. and 100 issued	1
Additional Paid-in Capital	26,381,742
Deficit	(1,953,177)
Total Equity	24,428,566
Total Liabilities and Equity	$ 43,661,080

MARKSANS PHARMA, INC. AND SUBSIDIARIES

Consolidated Statement of Income

For the Year Ended March 31, 2018	2018
Revenue	
Goods and services	**$ 52,483,447**
Cost of goods sold	
Purchases	**31,868,658**
Direct wages	**5,776,541**
Payroll taxes	**480,044**
Other direct costs	**3,625,298**
Allocated overhead	**1,567,608**
Inventory change	**3,418,544**
Cost of goods sold	**46,736,693**
Gross profit	**5,746,754**
Operating expenses	
Utilities	**576,897**
Travel expenses	**70,155**
Salaries and wages	**2,319,569**
Repairs and maintenance	**23,076**
Rental	**23,907**
Property taxes	**283,168**
Professional fees	**588,916**
Penalties	**2,165**
Other operating expenses	**56,928**
Office expenses	**60,057**
Miscellaneous Expense	**51,173**
Memberships and licenses	**289,602**
Interest and bank charges	**69,264**
Insurance	**1,335,986**
Employee benefits	**5,381**
Depreciation of tangible assets	**46,688**
Depreciation of intangible assets	**851,736**
Computer-related expenses	**214,013**
Commissions	**138,176**
Advertising and promotion	**39,127**
Total operating expenses	**7,045,984**

MARKSANS PHARMA, INC. AND SUBSIDIARIES

Consolidated Statement of Income

For the Year Ended March 31, 2018	2018
Loss from operations	**(1,299,230)**
Non operating income and expenses	
Interest income	**2,817**
Other revenue	**23**
Total non operating income and expenses	**2,840**
Loss before income taxes	**(1,296,390)**
Income taxes	
Current income taxes	**26,539**
Net loss	**$ (1,322,929)**

MARKSANS PHARMA, INC. AND SUBSIDIARIES

Consolidated Statement of Retained Earnings

For the Year Ended March 31, 2018

	2018
Deficit - beginning	$ (630,248)
Net loss	(1,322,929)
Deficit - ending	**$ (1,953,177)**

MARKSANS PHARMA, INC. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2018

	2018
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss for the period	$ (1,322,929)
Depreciation, depletion and amortization	898,424
Increase in receivables	(6,813,457)
Decrease in inventories	2,777,436
Increase in prepaid expense and other assets Increase	(706,593)
Decrease in accounts payable and accrued expenses	(1,530,433)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(6,697,552)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Payments to acquire property, plant, and equipment	(4,057,153)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from contributed capital	275,000
Issuance of Long Term Debt	7,000,000
Deferred financing	(47,234)
Proceeds from line of credit	2,603,970
OTHER ACTIVITIES:	
Net cash decreases in cash and cash equivalents	(922,969)
Cash and cash equivalents at beginning of period	1,507,766
Cash and cash equivalents at end of period	$ 584,797

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Marksans Pharma, Inc. ("Marksans") a New York corporation, is a wholly owned subsidiary of Marksans Pharma, Ltd., India ("Parent"). On June 22, 2015, Marksans acquired the stock of Time-Cap Laboratories Inc. ("Time-Cap") and its wholly owned subsidiary Custom Coating Inc. ("Coatings"). Simultaneously, Marksans Realty LLC ("Realty"), a wholly owned subsidiary of Time-Cap, was formed and acquired the real estate in which Time-Cap and Coatings have their operations. Time-Cap and Coatings are engaged primarily in the manufacture, coating, distribution and sales of pharmaceutical products in the continental United States.

PRINCIPLES OF CONSOLIDATION

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

REVENUE RECOGNITION

Sales revenue is recognized in accordance with industry practice which is when all the risks and benefits of ownership of products have been transferred to customers under executed sales agreements.

CASH AND CASH EQUIVALENTS

For purposes of balance sheet presentation and reporting of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, the Company's cash may be uninsured or in deposit amounts that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit. At March 31, 2018, all of the Company's cash was held in three financial institutions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

LEASES

The Company has an operating lease for a facility expiring in 2024. The Company will amortize the total lease cost on a straight line basis over the minimum lease term.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at an amount the Company expects to collect from outstanding balances. The Company's exposure to credit risk is dependent, to a large extent, on the pharmaceutical industry. The Company routinely addresses the financial strength of its customers, and, as a consequence, believes that its receivable credit risk is limited.

The Company performs ongoing credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current creditworthiness, as determined by a review of their current credit information. While credit losses have historically been within the Company's expectations, the Company cannot guarantee that the same credit loss rates will be experienced in the future. The allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the accounts receivable balance.

Accounts receivable are written off when they are determined to be uncollectible. Based on management's evaluation of collectability, an allowance for doubtful accounts has not been provided as the amount is not considered material at March 31, 2018.

FINANCIAL INSTRUMENTS

The estimated fair values of cash and cash equivalents, accounts receivable and accounts payable approximate their carrying amounts due to their short-term maturities. The carrying value of the capital lease obligations approximates fair value based upon the market interest rates available to the Company for capital lease obligations with similar risk and maturities.

INVENTORIES

The Company values its inventories at the lower of cost or market using the first-in, first-out ("FIFO") method.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are provided over the estimated useful lives of the assets using the straight-line method ranging from five to thirty-nine years.

GOODWILL

Goodwill represents the excess of the purchase price of a business over the fair value of the identifiable net assets acquired. The Company has elected the accounting alternative to amortize goodwill on a straight-line basis over ten yeas and elected to test goodwill for impairment at the entity level upon occurrence of a triggering event. As of March 31, 2018, the Company has not identified any triggering events indicating that any goodwill recognized may be impaired. Consequently, the Company did not recognize any impairment for the year ended March 31, 2018.

INTANGIBLES

Intangibles consist of marketing rights with an indefinite life which are not being amortized, but will be evaluated for impairment on an annual basis or at other times during the year if events and circumstances indicate that it is more likely than not that the fair value of the marketing rights is below the carrying value. Management has determined that as of March 31, 2018, the intangibles are not impaired.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable. Long-lived assets held for use are subject to an impairment assessment if the carrying value is no longer recoverable based upon the undiscounted cash flows of the assets. The amount of the impairment is the difference between the carrying amount and the fair value of the asset. The Company does not believe any of its long-lived assets were impaired at March 31, 2018.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

INCOME TAXES

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates made by the Company relates to allowances for doubtful accounts, impairment of long-lived assets and useful lives of intangibles. Actual results could differ from those estimates.

ADVERTISING EXPENSE

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

RECENT ACCOUNTING PRONOUNCEMENTS

The FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842): Accounting for Leases ("ASU 2016-02"), which supersedes existing guidance on accounting for leases in Topic 840 and generally requires all leases, including operating leases, to be recognized in the balance sheet as right-of-use assets and lease liabilities by lessees. For private business entities, the amendments in this ASU are effective for financial statements issued for annual periods beginning after December 15, 2019, and interim periods within those annual periods. The Company is evaluating the effects that adoption for this ASU will have on its consolidated financial statements.
In May 2014, the Financial Accounting Standards Board ("FASB") issued an update ("ASU 2014-09") Revenue from Contracts with Customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides five steps for an entity to achieve that core principle and provides disclosure requirements for revenue recognition. The guidance also specifies the accounting for some costs to obtain or fulfill a contract with a customer. In August 2015, the FASB issued ASU 2015-14, Defen-al of the Effective Date, which amended the effective date to reporting periods beginning after December 15, 2018 for nonpublic reporting entities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

RECENT ACCOUNTING PRONOUNCEMENTS (Cont.)

In March 2016, the FASB issued an update ("ASU 2016-08"), Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which clarifies the guidance on principal versus agent considerations. In April 2016, the FASB issued an update ("ASU 2016-10"), Identifying Performance Obligations and Licensing, which provides clarification related to identifying performance obligations and licensing implementation guidance under ASU 2014-09. In May 2016, the FASB issued an update ("ASU 2016-12"), Narrow-Scope Improvements and Practical Expedients, which amends guidance on transition, collectability, noncash consideration and the presentation of sales and other similar taxes. The effective date and transition requirements are the same as those in ASU 2014-09 for all subsequent clarifying guidance discussed herein. The Company is currently evaluating the impact of adopting these ASU's on the Company's financial statements.

NOTE 2 CONCENTRATION OF CREDIT RISK

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

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

MAJOR CUSTOMERS

As of March 31, 2018 five customers accounted for approximately 60% its accounts receivable and revenues from these customers were approximately 45% of total revenues.

NOTE 3 PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant, and equipment consist of the following at March 31, 2018:

Land	$ 62,080
Building and improvements	8,834,237
Machinery and Equipment	2,775,655
Furniture and fixtures	60,066
Vehicles	22,029
	11,754,067
Accumulated depreciation	(632,528)
Total property, plant and equipment, net	$11,121,539

Depreciation expense for the year ended March 31, 2018 was, $384,842.

NOTE 4 GOODWILL AND INTANGIBLES

Goodwill and intangibles consist of the following at March 31, 2018:

	Goodwill	Intangibles
Balance - April 1, 2017	$ 8,517,323	$ 1,925,000
Accumulated amortization	(2,358,656)	-
Balance - March 31, 2018	$ 6,158,667	$ 1,925,000

The amortization period of goodwill is ten (10) years. Amortization expense of goodwill for the year ended March 31, 2018 was $851,736.

The Company acquired transferrable marketing rights of various Parent products from a third party for an aggregate amount of $1,925,000 on March 2016 and March 2017.

NOTE 5 DEBT

The Company has a line of credit with State Bank of India and has a balance of $2,603,970 as of March 31, 2018 with the bank.

NOTE 6 DEFERRED TAXES

Significant components of the Company's deferred tax assets and liabilities at March 31, 2018 are as follows:

	Amount
Deferred Tax Assets (Liabilities):	
Net operating loss carryovers	$ 22,660
Goodwill and other intangibles	291,235
Property, equipment and capital leases	(214,823)
Accruals and reserves not currently deductible	123,567
Capitalized inventory costs	80,081
Alternative minimum tax credit	5,304
State tax credit carryovers	9,544
Net Deferred Tax Assets	$317,568

The Company has $66,647 of Federal net operating loss carryforwards ("NOL's") that are available to reduce future taxable income. These NOL's expire at various dates through 2035.

The Company has $14,460 of New York investment tax credit carryforwards that will start to expire after 2032.

NOTE 7 COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases office space located in Hauppauge, New York, under a non-cancelable operating lease which expires November 2017 and automatically renews on an annual basis unless a 3 month written notice is provided. The Company is responsible for certain utilities and monthly maintenance under the lease. Rent expense was approximately $9,400 for the year ended March 31, 2017.

The Company entered into a non-cancelable operating lease in March 2017 for warehouse space located in Hicksville, NY. The lease is scheduled to commence upon completion of various improvements as stipulated by the lease and expire on the last day of the calendar month in which the eighty seven month anniversary of the commencement date occurs. The Company expects the lease to commence in June 2017.

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONT.)

Future minimum rental payments required under the above non-cancelable operating leases at March 31, 2017 are as follows:

For the Year Ending March 31,	Amount
2019	$115,837
2020	130,558
2021	135,438
2022	140,179
2023	145,059
Thereafter	214,733
Total	$ 881,804

NOTE 8 LITIGATION AND CONTINGENCIES

From time to time, the Company may be a party to litigation arising in the normal course of its business operations. In the opinion of management, it is not anticipated that the settlement or resolution of any such matters will have a material adverse impact on the Company's financial condition, liquidity or results of operations.

NOTE 9 SUBSEQUENT EVENTS

The Company evaluates events that occur after the year-end date through the date the financial statements are available to be issued. Accordingly, management has evaluated subsequent events through May 25, 2018, and has determined that there were no subsequent events requiring adjustment to, or disclosure in, the financial statements.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

A.C.N 104 838 440

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

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for the year ended 31st March 2018

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 2018 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 2018 the company earned a profit after tax of $1,433,981.

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 2018.

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 2nd day of May 2018.

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 2018 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 2nd day of May 2018.

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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 acompanying special purpose financial statements of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD, which comprise the statement of financial position as at 31st March 2018, 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 2nd day of May 2018

D. Dhillon

Darshan Dhillon

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2018

	NOTE		2017
CURRENT ASSETS			
Cash	2	2,826,403	169,245
Receivables	3	2,005,272	2,681,674
Inventories	4	2,364,721	2,812,455
		7,196,396	5,663,374
NON-CURRENT ASSETS			
Investments	5	94	94
PROPERTY PLANT AND EQUIPMENT	6	105,725	116,541
		105,819	116,635
TOTAL ASSETS		7,302,215	5,780,009
CURRENT LIABILITIES			
Creditors & Borrowings	7	2,727,044	2,638,819
TOTAL LIABILITIES		2,727,044	2,638,819
NET ASSETS	$	4,575,171$	3,141,190
SHARE CAPITAL AND RESERVES			
Share Capital		150	150
Accumulated Profit		4,575,021	3,141,040
TOTAL CAPITAL & RESERVES	$	4,575,171$	3,141,190

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2018

	NOTE		2017
Profit			
Before Income Tax		1,971,976	1,772,887
Income Tax Expense		537,995	536,480
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,433,981	1,236,407
Retained Profits at July 1		3,141,040	4,112,326
PROFIT AVAILABLE FOR APPROPRIATION		4,575,021	5,348,733
Dividends		-	2,207,693
RETAINED PROFITS	$	4,575,021$	3,141,040

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2018

	NOTE		2017
INCOME			
Gross Profit Trading		6,276,366	4,953,525
Interest Received		241	6,135
TOTAL INCOME		6,276,607	4,959,660
EXPENSES			
Accountancy		6,372	5,250
Advertising & Selling		557,129	146,173
Audit & Inspections		122,482	7,383
Bank Charges		994	1,089
Cleaning		3,850	4,260
Consultants Fees		235,156	62,813
Computer Supplies		14,257	5,920
Depreciation		24,396	22,647
Electricity		5,229	5,155
Filing Fees		375	492
Freight & Cartage		767,348	528,375
Insurance		33,473	45,912
Interest		1,019	6,294
Licences & Registrations		511,263	472,815
Motor Vehicle Expenses		6,187	3,600
Office Expenses		10,095	5,737
Payroll Tax		34,738	30,317
Printing & Stationery		2,373	3,148
Rent		185,400	185,400
Repairs & Maintenance		1,832	11,958
Salaries		1,267,896	1,196,841
Staff Recruitment&Amenities		11,787	43,751
Storage		157,307	139,622
Superannuation		119,500	109,780
Telephone & Internet		12,330	15,826
Testing Fees		76,883	17,726
Travelling Expenses		41,244	30,319
Warehouse Expenses		93,716	78,170
TOTAL EXPENSES		4,304,631	3,186,773
OPERATING PROFIT BEFORE INCOME TAX		1,971,976	1,772,887
Income Tax Expense		537,995	536,480
OPERATING PROFIT FOR THE YEAR		1,433,981	1,236,407
OPERATING PROFIT AND EXTRAORDINARY ITEMS		1,433,981	1,236,407

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2018

	NOTE		2017
Retained Profits at July 1		3,141,040	4,112,326
PROFIT AVAILABLE FOR APPROPRIATION		4,575,021	5,348,733
Dividends Ordinary Dividend Paid		-	2,207,693
RETAINED PROFITS	$	4,575,021$	3,141,040

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

	NOTE		2017
Sales		17,068,848	14,402,738
LESS COST OF SALES			
Opening Stock		2,812,455	1,347,909
Purchases		10,506,497	11,141,479
Foreign Exchange		(161,749)	(227,720)
		13,157,203	12,261,668
Closing Stock		2,364,721	2,812,455
		10,792,482	9,449,213
TOTAL TRADING PROFIT	$	6,276,366$	4,953,525

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 beacause 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 appicable 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 at measured at transaction price less any provision for impairment.

4) Inventories

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

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.

		2017
NOTE 2 - Cash		
Cash in Hand	654	295
Westpac Cheque account	1,374,160	168,227
Westpac Maxi-Business account	1,016,200	13
USD account	435,389	710
	$ 2,826,403	$ 169,245

NOTE 3 - Current		
Trade Debtors	1,685,685	2,419,937
Income Tax Refund due	76,026	250,153
Prepayments	21,174	11,584
Payments-in-Advance	222,387	-
	$ 2,005,272$	2,681,674

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

		2017
NOTE 4 - Current		
Stock on Hand	$ 2,364,721	$ 2,812,455
NOTE 5 - Non Current		
Shares in Nova Pharmaceuticals Ltd-Wholly owned subsidiary	$ 94	$ 94
NOTE 6 - PROPERTY PLANT AND EQUIPMENT		
Office Equipment - at Cost	23,662	10,081
Less Prov'n for Depreciation	12,140	9,183
	11,522	898
Motor Vehicles - at Cost	148,193	148,193
Less Prov'n for Depreciation	73,275	54,591
	74,918	93,602
Warehouse Equipment-at Cost	30,000	30,000
Less Prov'n for Depreciation	10,715	7,959
	19,285	22,041
	$ 105,725	$ 116,541
NOTE 7 - Current		
Trade Creditors	2,696,572	2,073,708
Accrued Expenses	30,472	47,946
Directors'Loan-D&O	-	517,165
	$ 2,727,044	$ 2,638,819

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
A.C.N 104 838 440
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH 2018

				2017 $
Cashflows from Operating Activities:				
Receipts from Customers		17,803,100		14,243,775
Payments to Suppliers & Employees		-15,131,584		-14,081,058
Interest Received		241		6,135
Interest Paid		-1,019		-6,294
Net Cash provided by Operating Activities(per Note below):		2,670,738		162,558
Cashflows to Investing Activities:				
Payments for Equipment		-13,580		-55,378
Cashflows to Financing Activities				
Director's Loan			517,165	
Dividends Paid			-2,207,693	-1,690,528
Net increase in Cash		2,657,158		-1,583,348
Cash at the beginning of the financial year		169,245		1,752,593
		2,826,403		169,245
Cash at the end of the Financial year:				
Petty Cash	654		295	
Cheque account	1,374,160		168,227	
USD account	435,389		710	
Maxi Business account	1,016,200	2,826,403	13	169,245

Note to the Statement of Cashflows

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

Profit after Income Tax	1,433,981	1,236,407
Depreciation	24,396	22,647
Decrease in Inventory	447,734	-1,464,546
Increase in Trade Creditors & Accruals	88,225	644,034
Decrease in Tax Refund due	174,127	-453,426
Decrease in Trade Debtors & Prepayments	502,275	177,442
Net Cash provided by Operating Activities	2,670,738	162,558