

REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018
FOR
IPCA LABORATORIES UK LIMITED

IPCA LABORATORIES UK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	5
Balance Sheet	6
Notes to the Financial Statements	7
Detailed Profit and Loss Account	10

IPCA LABORATORIES UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS:

Dr D J Londesbrough
Mrs D Bowser
M Jain

SECRETARY:

N V Lane

REGISTERED OFFICE:

Units 97-98 Silverbriar
Sunderland Enterprise Park East
Sunderland
Tyne and Wear
SR5 2TQ

REGISTERED NUMBER:

04951981 (England and Wales)

AUDITORS:

Leasing Marrison Lee Limited
Chartered Certified Accountants
Statutory Auditors
46 Main Street
Mexborough
South Yorkshire
S64 9DU

IPCA LABORATORIES UK LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

DIRECTORS

The directors who have held office during the period from 1 April 2017 to the date of this report are as follows:

P Godha - resigned 11 August 2017
Dr D J Londesbrough - appointed 9 August 2017
Mrs D Bowser - appointed 9 August 2017
M Jain - appointed 9 August 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Leesing Marrison Lee Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

ON BEHALF OF THE BOARD:


.....
Dr D J Londesbrough - Director

Date: 10 MAY 2018.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
IPCA LABORATORIES UK LIMITED**

Opinion

We have audited the financial statements of Ipca Laboratories UK Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Balance Sheet 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 the provisions available for small entities, in the circumstances set out in note ten to the financial statements, 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, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
IPCA LABORATORIES UK 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 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; 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

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

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

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.



Robert Tippett (Senior Statutory Auditor)
for and on behalf of Leasing Marrison Lee Limited
Chartered Certified Accountants
Statutory Auditors
46 Main Street
Mexborough
South Yorkshire
S64 9DU

28 May 2018

IPCA LABORATORIES UK LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
TURNOVER		-	360,000
Administrative expenses		238,257	245,595
		(238,257)	114,405
Other operating income		-	762
OPERATING (LOSS)/PROFIT	3	(238,257)	115,167
Income from shares in group undertakings		1,964,463	368,122
PROFIT BEFORE TAXATION		1,726,206	483,289
Tax on profit		(3,628)	6,196
PROFIT FOR THE FINANCIAL YEAR		<u>1,729,834</u>	<u>477,093</u>

The notes form part of these financial statements

**BALANCE SHEET
31 MARCH 2018**

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Intangible assets	4		457,121		685,681
Investments	5		4,892,751		4,892,751
			<u>5,349,872</u>		<u>5,578,432</u>
CURRENT ASSETS					
Debtors	6	1,939		4,000	
Cash at bank		18,022		23,879	
		<u>19,961</u>		<u>27,879</u>	
CREDITORS					
Amounts falling due within one year	7	2,700		969,012	
			<u>17,261</u>		<u>(941,133)</u>
NET CURRENT ASSETS/(LIABILITIES)					
			<u>5,367,133</u>		<u>4,637,299</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CAPITAL AND RESERVES					
Called up share capital	8		3,639,186		4,639,186
Retained earnings			1,727,947		(1,887)
			<u>5,367,133</u>		<u>4,637,299</u>
SHAREHOLDERS' FUNDS					

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 10th MAY 2018 and were signed on its behalf by:



.....
Mrs D Bowser - Director

IPCA LABORATORIES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. **STATUTORY INFORMATION**

Ipcalaboratories UK 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**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with an acquisition of a business on the 25 March 2015, is being amortised on a straight line basis so as to write off the cost of the asset, less its residual value assumed to be zero, over its useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of five years.

Investments in subsidiaries

The investment in Onyx Scientific Limited is measured at cost less impairment. The value is assessed at the end of each accounting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised as a profit or loss.

The impairment loss is measured as the difference between the investments carrying amount and the best estimate, which is an approximation, of the amount the company would receive for the asset if it were to be sold at the reporting date.

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

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation the expenditure is deferred and amortised over the period from which the company is expected to benefit.

IPCA LABORATORIES UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

2. ACCOUNTING POLICIES - continued

Foreign currencies

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Share capital

Redeemable preference shares of £2,750,000 (2016; £3,750,000) are recognised in line with FRS 25 as equity. They are redeemable at the company's option only.

3. OPERATING (LOSS)/PROFIT

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

	2018 £	2017 £
Goodwill amortisation	228,560	228,560
Development costs amortisation	-	2,999
	<u> </u>	<u> </u>

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Other intangible assets £	Totals £
COST			
At 1 April 2017 and 31 March 2018	1,142,800	721,683	1,864,483
AMORTISATION			
At 1 April 2017	457,120	721,682	1,178,802
Charge for year	228,560	-	228,560
At 31 March 2018	685,680	721,682	1,407,362
NET BOOK VALUE			
At 31 March 2018	457,120	1	457,121
At 31 March 2017	685,680	1	685,681

The goodwill was acquired as part of the group reconstruction carried out on the 25 March 2015.

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2017 and 31 March 2018	4,892,751
NET BOOK VALUE	
At 31 March 2018	4,892,751
At 31 March 2017	4,892,751

IPCA LABORATORIES UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	-	4,000
Other debtors	1,939	-
	<u>1,939</u>	<u>4,000</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Amounts owed to group undertakings	-	942,824
Taxation and social security	-	23,588
Other creditors	2,700	2,600
	<u>2,700</u>	<u>969,012</u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
914,186	Ordinary	£1	914,186	914,186
2,725,000	Preference	£1	2,725,000	3,725,000
			<u>3,639,186</u>	<u>4,639,186</u>

9. RELATED PARTY DISCLOSURES

P Godha is interested as a director of Onyx Scientific Limited and Ipca Laboratories Limited.

During the year the company provided management services to Onyx Scientific Limited amounting to £nil (2017; £360,000). The company also received a dividend from Onyx Scientific Limited in the amount of £1,964,463 (2017; £368,122).

At the 31 March 2018 an amount was due to Onyx Scientific Limited of £nil (2017; £942,824). Included in Trade Debtors is an amount of £nil (2017; £4,000) due by Onyx Scientific Limited.

10. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

11. ULTIMATE CONTROLLING PARTY

Ipca Laboratories Limited (incorporated in India) is regarded by the director as the ultimate controlling party.

Consolidated accounts may be obtained from 48 Kandivli Industrial Estate, Kandivli West, Mumbai 400 067, Maharashtra, India.

IPCA LABORATORIES UK LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018

	2018		2017	
	£	£	£	£
Management Fees		-		360,000
Other income				
Sundry receipts	-		762	
Shares in group undertakings	1,964,463		368,122	
	<u>1,964,463</u>	1,964,463	<u>368,122</u>	368,884
		1,964,463		728,884
Expenditure				
Rent	3,136		3,741	
Sundry expenses	652		-	
Accountancy	2,922		3,263	
Auditors' remuneration	2,700		2,600	
	<u>9,410</u>	9,410	<u>2,600</u>	9,604
		1,955,053		719,280
Finance costs				
Bank charges	138		566	
Currency exchange differences	149		3,866	
	<u>287</u>	287	<u>3,866</u>	4,432
		1,954,766		714,848
Depreciation				
Goodwill	228,560		228,560	
Development costs	-		2,999	
	<u>228,560</u>	228,560	<u>2,999</u>	231,559
NET PROFIT		<u>1,726,206</u>		<u>483,289</u>

This page does not form part of the statutory financial statements