

ASCEND LABORATORIES (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ASCEND LABORATORIES (UK) LIMITED

COMPANY INFORMATION

Directors	Mr Sandeep Singh Mr Amit Ghare Mr Manish Narang Mr Amit Kumar Mr Alok Verma
Registered number	09164483
Registered office	5th Floor 89 New Bond Street London W1S 1DA
Independent auditor	SRLV Audit Limited Chartered Accountants & Statutory Auditor 89 New Bond Street London W1S 1DA

ASCEND LABORATORIES (UK) LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditors' report	3 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

ASCEND LABORATORIES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The company's principal activity is that of pharmaceutical distribution.

Results and dividends

The profit for the year, after taxation, amounted to £61,095 (2018 - £109,552).

Directors

The directors who served during the year were:

Mr Sandeep Singh
Mr Amit Ghare
Mr Manish Narang
Mr Amit Kumar
Mr Alok Verma

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small company regime

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

14 MAY 2019

and signed on its behalf.



Mr Amit Kumar
Director

ASCEND LABORATORIES (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

ASCEND LABORATORIES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASCEND LABORATORIES (UK) LIMITED

Opinion

We have audited the financial statements of Ascend Laboratories (UK) Limited (the 'company') for the year ended 31 March 2019, which comprise the profit and loss account, the balance sheet and the related notes, 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 Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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 United Kingdom, including the Financial Reporting Council'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 included in the annual report, other than the financial statements and our auditors' 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.

ASCEND LABORATORIES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASCEND LABORATORIES (UK) LIMITED

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 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, 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' 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 on page 2, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditors' report.

ASCEND LABORATORIES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASCEND LABORATORIES (UK) LIMITED

Use of our report

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

Handwritten signature of Richard Gilbert in black ink, reading "SRLV Audit Limited".

Richard Gilbert (Senior Statutory Auditor)

for and on behalf of
SRLV Audit Limited

Chartered Accountants
Statutory Auditor

89 New Bond Street
London
W1S 1DA

14 MAY 2019

ASCEND LABORATORIES (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Turnover	2,551,369	4,175,569
Cost of sales	(2,342,049)	(3,920,942)
Gross profit	209,320	254,627
Administrative expenses	(143,996)	(119,533)
Operating profit	65,324	135,094
Interest receivable and similar income	10,656	-
Profit before tax	75,980	135,094
Tax on profit	(14,885)	(25,542)
Profit for the financial year	61,095	109,552

There was no other comprehensive income for 2019 (2018 - £NIL).

ASCEND LABORATORIES (UK) LIMITED
REGISTERED NUMBER:09164483

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	<u>932</u>	<u>1,243</u>
		932	1,243
Current assets			
Stocks	7	990,886	423,272
Debtors: amounts falling due within one year	8	1,494,140	706,574
Cash at bank and in hand	9	1,499,881	2,863,668
		<u>3,984,907</u>	<u>3,993,514</u>
Creditors: amounts falling due within one year	10	<u>(3,649,333)</u>	<u>(3,719,346)</u>
Net current assets		335,574	274,168
Total assets less current liabilities		336,506	275,411
Net assets		<u>336,506</u>	<u>275,411</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account		236,506	175,411
		<u>336,506</u>	<u>275,411</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **14 MAY 2019**


Mr Amit Kumar
 Director

The notes on pages 8 to 13 form part of these financial statements.

ASCEND LABORATORIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Ascend Laboratories (UK) Limited is a pharmaceutical distributor.

The company is a private company limited by shares and is registered in England and Wales, registration number 09164483.

The address of its registered office is 89 New Bond Street, London, W1S 1DA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

ASCEND LABORATORIES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a moving average price basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

2.9 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

ASCEND LABORATORIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The company establishes a provision for slow moving inventory. When determining the provision, the directors consider factors such as the amount of the inventory holding and subsequent sales.

4. Employees

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

	2019 No.	2018 No.
Directors	5	5
Employees	1	1
	6	6

5. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	5,000	25,000
	5,000	25,000

ASCEND LABORATORIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2018	1,243
At 31 March 2019	<u>1,243</u>
Depreciation	
Charge for the year	311
At 31 March 2019	<u>311</u>
Net book value	
At 31 March 2019	<u>932</u>
At 31 March 2018	<u>1,243</u>

This addition was purchased on 31 March 2018 and as such no depreciation was charged in the prior year. Depreciation commenced on 1 April 2018.

7. Stocks

	2019 £	2018 £
Traded goods and goods for resale	<u>990,886</u>	<u>423,272</u>

8. Debtors

	2019 £	2018 £
Trade debtors	582,417	248,168
Amounts owed by group undertakings	705,949	-
Other debtors	185,594	458,406
Prepayments and accrued income	5,264	-
Tax recoverable	14,916	-
	<u>1,494,140</u>	<u>706,574</u>

ASCEND LABORATORIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>1,499,881</u>	<u>2,863,668</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,435,523	40,722
Amounts owed to group undertakings	2,176,337	3,602,929
Corporation tax	-	25,564
Other taxation and social security	18,397	-
Other creditors	-	54
Accruals and deferred income	19,076	50,077
	<u>3,649,333</u>	<u>3,719,346</u>

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100,000 (2018 - 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

During 2015, the company allotted 250,000 shares of £1 each, 20 per cent of which was called and paid by the previous period end.

During 2016, a further 20 per cent had been called, taking the fully paid value to £100,000.

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £NIL (2018 - £63). Contributions totalling £NIL (2018 - £54) were payable to the fund at the balance sheet date and are included in creditors.

ASCEND LABORATORIES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Related party transactions

The company has not disclosed transactions with wholly owned group companies in accordance with FRS 102, Section 1A paragraph 1AC.35.

The parent of the smallest and largest group, of which the company is a member and for which group accounts are prepared, is Alkem Laboratories Limited. Its registered office is Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.