

**STRIDES PHARMA UK LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**STRIDES PHARMA UK LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr V Rajasekar Mr M K Pillai Mr M Islam Mr A Mehta
<b>Registered number</b>	02882063
<b>Registered office</b>	Unit 4 The Metro Centre Dwight Road Watford England WD18 9SS
<b>Independent auditors</b>	MHA Chartered Accountants & Statutory Auditor 2 London Wall Place London EC2Y 5AU

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**STRIDES PHARMA UK LTD**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 7
<b>Statement of Comprehensive Income</b>	8
<b>Balance Sheet</b>	9
<b>Statement of Changes in Equity</b>	10
<b>Statement of Cash Flows</b>	11 - 12
<b>Analysis of Net Debt</b>	13
<b>Notes to the Financial Statements</b>	14 - 29
The following pages do not form part of the statutory financial statements:	
<b>Detailed Profit and Loss Account and Summaries</b>	30 - 33

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## STRIDES PHARMA UK LTD

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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#### Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

#### Business review

##### Sales and Performance

The performance for the year 2022-23 reflected a recovery to normal levels after the disruptions due to COVID 19 and BREXIT in the last 2 years.

During the 2022-23 financial year Strides Pharma UK Limited (SPUK) achieved sales of £24.5m (2022: £19.1m), increase of 29%.

Profit for the year after tax in 2023 was £0.7m (2022: £2.3m (loss)) underpinned by increase in sales and price increases.

EBITDA in 2023 was at 8% (2022: -9%) showing significant improvements in performance.

No dividend was declared for the financial year ended 31 March 2023.

The SPUK specialises in marketing and distribution of branded generics and OTC molecules with a clear focus on quality, value, and sustainability.

In 2023/24 SPUK are strengthening the team in areas such as sales and exports to help sustain the growth and margin improvement on products.

##### Business Development

Business development is the key growth driver for the business.

During 2022-23 introduction of Gabapentin, new range of Mefenamic Acid and increases in Clinical Commissioning Group (CCG) sales resulted in achieving the record sales of £24.5m.

The focus in 2023-24 for SPUK will be to recover the margins and introduction of profitable new products.

##### Sales and Marketing

Strides Pharma UK Limited's sales performance demonstrates the company's continued resilience. During 2022-23 higher stock holdings allowed SPUK to take advantage of increased market demands and pushed sales higher.

Key vertical to the business are sales to Clinical Commissioning Group (CCG) selling the branded generics portfolio recorded improvements. More CCGs have switched over and resulted in increased sales in 2022-23.

During the 2023-24 financial year, the Company are looking at strengthening the sales team to keep focus on key verticals and high margin products to sustain the growth path achieved in the current year.

##### Principal risks and uncertainties

Principal risks affecting the business are operational risk and supply chain disruptions affecting manufacturing and distribution. The outlook for 2023-24 is one of cautious optimism. However, inflation risks remain high for 2023-24.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Procurement**

Since more than 90% of purchases are from entities within the Group the risk of supply defaults is minimised. In addition, transfer pricing arrangements have been finalised to eliminate the risk of price changes.

Actions in during 2022-23 have brought stocks to a sustainable level; SPUK does not anticipate any supply chain bottlenecks in 2023-24.

**Currency**

More than 95% of transactions are conducted in pound sterling (GBP) and hence the risk of currency exposure is negated.

**Interest risk**

Interest on loans is based on 3 month SONIA and Bank of England rates and these are likely to increase from their previous historic lows. However, since the outstanding balances have significantly reduced and with the aggressive repayment plan to fully repay the external loan in 2023-24 the upside risk is not high and is manageable.

**Credit and Liquidity**

Careful screening of new customers and dealing with only established and reputable wholesalers have significantly reduced the risk of debtors' default and delays in collection.

**Other Operational risks**

The company, as part of the operational performance have incorporated risk management tools such as risk registers, business continuity & disaster recovery plans to identify and evaluate emerging risks early and to take corrective actions quickly to minimise risks.

**Competition Risk**

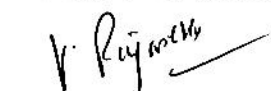
High competition levels will continue to be a factor in the sector particularly in the generic arena. Competitors are looking to emulate our successful business model in certain areas of our business. The company will strive to create and develop more verticals to contend with them.

**Outlook**

The outlook for 2023-24 is one of optimism although higher risks of inflation and consequent economic slowdown risk are present.

With streamlining of staffing costs and a reset strategy, SPUK are well positioned to leverage the opportunities into increase sales and profits in 2023-24.

This report was approved by the board on 03 August 2023 and signed on its behalf.



**Mr V Rajasekar**  
Director

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## STRIDES PHARMA UK LTD

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their report and the financial statements for the year ended 31 March 2023.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 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 judgments 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £669,769 (2022 - loss £2,316,812).

The Directors do not recommend payment of dividends for the year (2022 - £Nil)

#### Directors

The directors who served during the year were:

Mr V Kumar (resigned 14 April 2022)  
Mr V Rajasekar  
Mr M K Pillai  
Mr K T Parthasarathy (resigned 14 April 2022)  
Mr M Islam  
Mr A Mehta (appointed 16 May 2022)

#### Future developments

Please refer to the strategic report for details of future business developments.

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STRIDES PHARMA UK LTD

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**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**

Following a rebranding exercise on 15 May 2023, the trading name of the Company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

This report was approved by the board on 03 August 2023 and signed on its behalf.

  
Mr V Rajasekar  
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRIDES PHARMA UK LTD

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**Opinion**

We have audited the financial statements of Strides Pharma UK Ltd (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity 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 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 2023 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRIDES PHARMA UK LTD (CONTINUED)**

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**Other information**

The other information comprises the information included in the annual report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 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 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 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRIDES PHARMA UK LTD (CONTINUED)**

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

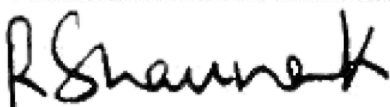
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**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.



Rakesh Shaunak (Senior Statutory Auditor)  
for and on behalf of MHA, Statutory Auditor  
London, United Kingdom  
Date: 4 August 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

STRIDES PHARMA UK LTD

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	24,544,791	19,069,031
Cost of sales		(18,690,393)	(15,964,699)
<b>Gross profit</b>		<b>5,854,398</b>	<b>3,104,332</b>
Administrative expenses		(4,688,222)	(5,521,325)
<b>Operating profit/(loss)</b>	5	<b>1,166,176</b>	<b>(2,416,993)</b>
Interest receivable and similar income	9	39,712	48,337
Interest payable and similar expenses	10	(301,967)	(264,989)
<b>Profit/(loss) before tax</b>		<b>903,921</b>	<b>(2,633,645)</b>
Tax on profit/(loss)	11	(234,152)	316,833
<b>Profit/(loss) for the financial year</b>		<b>669,769</b>	<b>(2,316,812)</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

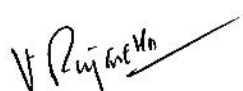
The notes on pages 14 to 29 form part of these financial statements.

**STRIDES PHARMA UK LTD**  
**REGISTERED NUMBER: 02882063**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	12	4,917,520	5,509,825
Tangible assets	13	329,573	422,920
		<u>5,247,093</u>	<u>5,932,745</u>
<b>Current assets</b>			
Stocks	14	11,620,700	19,926,314
Debtors: amounts falling due within one year	15	8,951,108	5,646,127
Cash at bank and in hand	16	118,105	2,532,036
		<u>20,689,913</u>	<u>28,104,477</u>
Creditors: amounts falling due within one year	17	(17,895,043)	(24,989,064)
<b>Net current assets</b>		<u>2,794,870</u>	<u>3,115,413</u>
<b>Total assets less current liabilities</b>		<u>8,041,963</u>	<u>9,048,158</u>
Creditors: amounts falling due after more than one year	18	-	(1,675,964)
<b>Net assets</b>		<u><u>8,041,963</u></u>	<u><u>7,372,194</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	14,400	14,400
Share premium account	23	2,370,600	2,370,600
Profit and loss account	23	5,656,963	4,987,194
<b>Shareholder's funds</b>		<u><u>8,041,963</u></u>	<u><u>7,372,194</u></u>

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



**Mr V Rajasekar**  
Director

3 August 2023

The notes on pages 14 to 29 form part of these financial statements.

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STRIDES PHARMA UK LTD

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2021	14,400	2,370,600	7,304,006	9,689,006
Comprehensive income for the year				
Loss for the year	-	-	(2,316,812)	(2,316,812)
Total comprehensive income for the year	-	-	(2,316,812)	(2,316,812)
At 1 April 2022	14,400	2,370,600	4,987,194	7,372,194
Comprehensive income for the year				
Profit for the year	-	-	669,769	669,769
Total comprehensive income for the year	-	-	669,769	669,769
At 31 March 2023	14,400	2,370,600	5,656,963	8,041,963

The notes on pages 14 to 29 form part of these financial statements.

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**STRIDES PHARMA UK LTD**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023**

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	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	669,769	(2,316,812)
<b>Adjustments for:</b>		
Amortisation of intangible assets	696,752	594,908
Depreciation of tangible assets	110,589	99,726
Profit on sale of tangible assets	(100,000)	-
Interest paid	301,967	264,989
Interest received	(39,712)	(48,337)
Taxation charge	234,152	(316,833)
Decrease/(increase) in stocks	8,305,614	(12,635,860)
(Increase)/decrease in debtors	(4,722,002)	388,784
Decrease in amounts owed by groups	1,182,869	517,483
(Decrease)/increase in creditors	(264,270)	1,239,932
(Decrease)/increase in amounts owed to groups	(7,140,449)	13,760,866
Corporation tax received/(paid)	-	(71,256)
<b>Net cash generated from operating activities</b>	<b>(764,721)</b>	<b>1,477,590</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(104,447)	(31,596)
Sale of intangible assets	100,000	-
Purchase of tangible fixed assets	(17,242)	(12,794)
Sale of tangible fixed assets	-	651
Interest received	39,712	48,337
<b>Net cash from investing activities</b>	<b>18,023</b>	<b>4,598</b>

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STRIDES PHARMA UK LTD

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STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023

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	2023 £	2022 £
<b>Cash flows from financing activities</b>		
New secured loans	-	123,426
Repayment of loans	(1,365,266)	-
Interest paid	(301,967)	(264,989)
<b>Net cash used in financing activities</b>	<b>(1,667,233)</b>	<b>(141,563)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,413,931)</b>	<b>1,340,625</b>
Cash and cash equivalents at beginning of year	2,532,036	1,191,411
<b>Cash and cash equivalents at the end of year</b>	<b>118,105</b>	<b>2,532,036</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	118,105	2,532,036
	<b>118,105</b>	<b>2,532,036</b>

The notes on pages 14 to 29 form part of these financial statements.

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**STRIDES PHARMA UK LTD**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2023**

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	<b>At 1 April 2022 £</b>	<b>Cash flows £</b>	<b>At 31 March 2023 £</b>
Cash at bank and in hand	<b>2,532,036</b>	<b>(2,413,931)</b>	<b>118,105</b>
Debt due within 1 year	<b>(3,292,690)</b>	<b>(353,266)</b>	<b>(3,645,956)</b>
	<b><u>(760,654)</u></b>	<b><u>(2,767,197)</u></b>	<b><u>(3,527,851)</u></b>

The notes on pages 14 to 29 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**1. General information**

Strides Pharma UK Ltd is a private company limited by shares incorporated in England and Wales. The principal activity during the year continued to be that of the distribution of pharmaceutical products. The registered office address is Unit 4, The Metro Centre, Dwight Road, Watford, WD18 9SS. The company's functional and presentational currency is GBP and the accounts are rounded to the nearest £.

**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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Revenue**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Sale of goods**

Turnover 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 turnover 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.3 Tangible fixed assets (continued)**

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:

Freehold property	- 2% straight line - buildings, 5% straight line - improvements
Fixtures and fittings	- 20% straight line
Office equipment	- 20% straight line
Lab equipment	- 11% straight line

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 profit or loss.

**2.4 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.

**2.5 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.6 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.7 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 profit or loss 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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.8 Interest income**

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

**2.9 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Accounting policies (continued)**

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.13 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.14 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.15 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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 complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.16 Provisions for liabilities**

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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

In applying the company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

**3.1 Critical judgments in applying the company's accounting policies**

The following are considered to be critical judgments that the directors have made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the statutory financial statements.

*Useful lives of tangible and intangible fixed assets*

The directors have decided upon depreciation and amortisation policies which are in line with industry standards taking external economic factors into account where required.

*Assessing indicators of stock impairment*

In assessing whether there have been any indicators of impairment stock, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. An impairment loss has been accounted for in respect of slow-moving and stock obsolescence during the year.

*Recoverability of debtors*

The directors believe that all debtors at the year end other than what has been provided for are recoverable.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Pharmaceutical products	24,544,791	19,069,031
	<u>24,544,791</u>	<u>19,069,031</u>

All turnover arose within the United Kingdom.

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STRIDES PHARMA UK LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**5. Operating profit/(loss)**

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

	2023 £	2022 £
Exchange differences	<u>12,863</u>	<u>11,820</u>

**6. Auditors' remuneration**

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>22,000</u>	<u>17,000</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	1,645,063	2,035,836
Social security costs	208,362	232,225
Cost of defined contribution scheme	30,188	51,218
	<u>1,883,613</u>	<u>2,319,279</u>

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

	2023 No.	2022 No.
Employees	<u>23</u>	<u>21</u>

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STRIDES PHARMA UK LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**8. Directors' remuneration**

	2023 £	2022 £
Directors' emoluments	443,900	635,616
Directors national insurance	62,449	85,168
Company contributions to defined contribution pension schemes	9,547	13,140
	<u>515,896</u>	<u>733,924</u>

The directors have taken the exemption from disclosure of the highest paid director's remuneration on the basis that no director received remuneration of greater than £200,000 in the period.

**9. Interest receivable**

	2023 £	2022 £
Other interest receivable	39,712	48,337
	<u>39,712</u>	<u>48,337</u>

**10. Interest payable and similar expenses**

	2023 £	2022 £
Bank interest payable	301,967	264,989
	<u>301,967</u>	<u>264,989</u>



STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

11. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	87,807
	-	87,807
<b>Total current tax</b>	-	87,807
<b>Deferred tax</b>		
Origination and reversal of timing differences	234,152	(404,640)
<b>Total deferred tax</b>	234,152	(404,640)
<b>Taxation on profit/(loss) on ordinary activities</b>	234,152	(316,833)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	903,921	(2,633,645)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	171,745	(500,393)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,950	-
Fixed asset differences	(593)	(649)
Adjustments to tax charge in respect of prior periods	-	87,807
Other timing differences leading to an increase (decrease) in taxation	61,050	96,402
<b>Total tax charge for the year</b>	234,152	(316,833)

**Factors that may affect future tax charges**

From 1 April 2023 the main rate of corporation tax will increase from 19% to 25%.

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STRIDES PHARMA UK LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**12. Intangible assets**

	Licences £
<b>Cost</b>	
At 1 April 2022	9,261,673
Additions	104,447
Disposals	(119,227)
At 31 March 2023	<u>9,246,893</u>
<b>Amortisation</b>	
At 1 April 2022	3,751,848
Charge for the year on owned assets	696,752
On disposals	(119,227)
At 31 March 2023	<u>4,329,373</u>
<b>Net book value</b>	
At 31 March 2023	<u><u>4,917,520</u></u>
At 31 March 2022	<u><u>5,509,825</u></u>

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Lab equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2022	343,062	36,051	332,667	227,516	939,296
Additions	5,414	4,834	6,994	-	17,242
Disposals	-	-	-	(227,516)	(227,516)
At 31 March 2023	348,476	40,885	339,661	-	729,022
<b>Depreciation</b>					
At 1 April 2022	43,906	36,051	310,139	126,280	516,376
Charge for the year on owned assets	1,884	392	7,077	101,236	110,589
Disposals	-	-	-	(227,516)	(227,516)
At 31 March 2023	45,790	36,443	317,216	-	399,449
<b>Net book value</b>					
At 31 March 2023	302,686	4,442	22,445	-	329,573
At 31 March 2022	299,156	-	22,528	101,236	422,920

14. Stocks

	2023 £	2022 £
Finished goods and goods for resale	11,620,700	19,926,314
	11,620,700	19,926,314

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**STRIDES PHARMA UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**15. Debtors**

	2023 £	2022 £
Trade debtors	7,493,227	4,022,503
Amounts owed by group undertakings	29,018	1,211,887
Other debtors	202,848	-
Prepayments and accrued income	54,951	34,105
Deferred taxation (note 21)	1,171,064	377,632
	<u>8,951,108</u>	<u>5,646,127</u>

The company's trade debtors are secured by an invoice discounting facility of £4m.

**16. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	118,105	2,532,036
	<u>118,105</u>	<u>2,532,036</u>

**17. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	3,645,956	3,292,690
Trade creditors	246,480	171,216
Amounts owed to group undertakings	12,086,268	19,226,717
Corporation tax	16,688	16,688
Other taxation and social security	1,112,476	814,415
Accruals and deferred income	787,175	1,467,338
	<u>17,895,043</u>	<u>24,989,064</u>

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STRIDES PHARMA UK LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	-	1,675,964
	<u>-</u>	<u>1,675,964</u>

19. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
<b>Amounts falling due within one year</b>		
Bank loans	3,645,956	3,292,690
	<u>3,645,956</u>	<u>3,292,690</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	1,675,964
	<u>-</u>	<u>1,675,964</u>
	<u>3,645,956</u>	<u>4,968,654</u>

The loans are secured by a £6m standby letter of credit issued by Strides Pharma Science Limited. The loan's rate of interest is 3-months LIBOR + 275 basis points. The repayment term is 6 months moratorium and 4 years.

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**STRIDES PHARMA UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**20. Financial instruments**

	2023 £	2022 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	118,105	2,532,036
Financial assets that are debit instruments measured at amortised cost	7,725,093	5,234,390
	<u>7,843,198</u>	<u>7,766,426</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(15,978,704)</u>	<u>(22,735,670)</u>

Financial assets measured at amortised cost comprise of cash at bank.

Financial assets measured at amortised cost comprise of trade debtors, amounts due from group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, bank loans and amounts due to group undertakings.

**21. Deferred taxation**

	2023 £
At beginning of year	377,632
Charged to profit or loss	793,432
<b>At end of year</b>	<u><u>1,171,064</u></u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Tax losses carried forward	1,171,064	377,632
	<u>1,171,064</u>	<u>377,632</u>

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STRIDES PHARMA UK LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**22. Share capital**

	2023 £	2021 £
<b>Allotted, called up and fully paid</b>		
14,400 (2022 - 14,400) ordinary shares of £1.00 each	<u>14,400</u>	<u>14,400</u>

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

**23. Reserves**

**Share premium account**

This reserve represents the accumulated premium over the nominal value of share capital subscribed.

**Profit and loss account**

This reserve represents the accumulated profits and losses of the Company, net of any distributions.

**24. Contingent liabilities**

Strides Pharma UK Limited has provided a bank guarantee of €300,000 to Banco BPM as a security to provide trade Finance facility to Beltapharm, Italy (a group undertaking).

**25. Capital commitments**

The company had entered into an agreement in connection with the procurement of an IT system in the sum of £39,550.

**26. Pension commitments**

The company operates a defined contribution 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 £30,188 (2022: £51,218). Contributions totalling £7,485 (2022: £11,417) were payable to the fund at the balance sheet date and are included in accruals at year end.

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**STRIDES PHARMA UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**27. Commitments under operating leases**

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	3,293	-
Later than 1 year and not later than 5 years	10,647	-
	<u>13,940</u>	<u>-</u>

**28. Related party transactions**

As a wholly owned subsidiary undertaking the company has taken advantage of exemptions conferred by FRS102 and has not separately disclosed transactions with other wholly owned subsidiaries of the ultimate parent company.

**29. Post balance sheet events**

There are no post balance sheet events that require recognition in the 2022 accounts.

**30. Controlling party**

The ultimate controlling entity is Strides Pharma Science Limited, a company registered in India. The registered office is 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703, India. The immediate parent company is Strides Pharma Global (UK) Limited, a company registered in England and Wales based at Unit 4, Metro Centre, Dwight Road, Watford, Hertfordshire, WD18 9SS. This company has been consolidated within Strides Pharma Science Ltd. Copies of these accounts can be obtained from them.



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**STRIDES PHARMA UK LTD**

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**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2023**

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	2023 £	2022 £
Turnover	24,544,791	19,069,031
Cost of sales	(18,690,393)	(15,964,699)
<b>Gross profit</b>	<b>5,854,398</b>	<b>3,104,332</b>
<b>Gross profit %</b>	<b>23.9 %</b>	<b>16.3 %</b>
<b>Less: overheads</b>		
Administration expenses	(4,688,222)	(5,521,325)
<b>Operating profit/(loss)</b>	<b>1,166,176</b>	<b>(2,416,993)</b>
Interest receivable	39,712	48,337
Interest payable	(301,967)	(264,989)
Tax on profit/(loss) on ordinary activities	(234,152)	316,833
<b>Profit/(Loss) for the year</b>	<b>669,769</b>	<b>(2,316,812)</b>

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STRIDES PHARMA UK LTD

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SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023

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	2023 £	2022 £
<b>Turnover</b>		
Sales	24,544,791	19,069,031
	<u>24,544,791</u>	<u>19,069,031</u>
	2023 £	2022 £
<b>Cost of sales</b>		
Stock movement	(4,438,669)	(5,303,909)
Purchases	21,161,814	19,299,809
Direct manufacturing costs	1,967,248	1,968,799
	<u>18,690,393</u>	<u>15,964,699</u>

**STRIDES PHARMA UK LTD**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
<b>Administration expenses</b>		
Directors national insurance	62,449	85,168
Directors salaries	443,900	635,616
Directors pension costs	9,547	13,140
Staff salaries	1,201,163	1,400,220
Staff national insurance	145,913	147,057
Staff pension costs	20,641	38,078
Staff redundancy costs	-	640,000
Staff welfare	12,219	6,497
Entertainment	115,565	6,454
Hotels, travel and subsistence	168,167	82,562
Printing and stationery	5,943	8,370
Postage	1,654	4,145
Telephone and fax	9,247	10,013
Computer costs	28,923	20,418
General office expenses	190,928	39,582
Advertising and promotion	14,997	69,944
Trade subscriptions	556,281	492,412
Legal and professional	737,328	952,104
Auditors' remuneration	41,700	41,600
Bad debts	77,929	6,600
Difference on foreign exchange	12,863	11,820
Rates	11,235	11,186
Light and heat	2,560	5,138
Cleaning	8,423	7,487
Insurances	62,991	49,309
Repairs and maintenance	4,841	3,841
Depreciation	110,589	99,726
Amortisation	696,752	594,908
Management charges	33,474	37,815
Profit/(loss) on disposal of assets	(100,000)	115
	<u>4,688,222</u>	<u>5,521,325</u>

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STRIDES PHARMA UK LTD

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SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023

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	2023 £	2022 £
<b>Interest receivable</b>		
Other interest receivable	39,712	48,337
	<u>39,712</u>	<u>48,337</u>
	2023 £	2022 £
<b>Interest payable</b>		
Bank loan interest payable	301,967	264,989
	<u>301,967</u>	<u>264,989</u>