

Registered number: 02882063

STRIDES PHARMA UK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

STRIDES PHARMA UK LTD

COMPANY INFORMATION

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

STRIDES PHARMA UK LTD

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STRIDES PHARMA UK LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2024.

Business review

Sales and Performance

The performance for the year 2023-24 witnessed a return to normal levels of growth after the disruptions due to COVID 19 and BREXIT in the last 3 years.

During the 2023-24 financial year Strides Pharma UK Limited (SPUK) achieved sales of £28.6m (2023: £24.5m), increase of over 16%.

Profit for the year after tax in 2024 was £0.84m (2023: £0.67m) underpinned by increase in sales and price increases.

Operating profit in 2023-24 was at 8% (2023: 5%) showing significant improvements in performance.

No dividend was declared for the financial year ended 31 March 2024.

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

In 2024/25 SPUK are strengthening the branded medicine sales team to help sustain the growth and margin improvement on products.

Business Development

Business development is the key growth driver for the business.

During 2023-24 management focused on improving branded medicine sales and business to business sales resulted in achieving the record sales of £28.6m.

The focus in 2024-25 for SPUK will be to increase sales whilst maintaining/improving the margins.

Sales and Marketing

Strides Pharma UK Limited's sales performance demonstrates the company's continued resilience. During 2023-24 strategic stock holdings allowed SPUK to take advantage of increased market demands and record higher sales.

During the year, all key verticals - wholesale, branded medicine, tendered business recorded improvements. More Hospital trusts have switched over to SPUK products and this increased sales further.

During the 2024-25 financial year, the Strides Pharma UK shall focus on increasing sales across all verticals and push 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 2024-25 is one of cautious optimism. Further inflation risks for 2024-25 have reduced significantly.

STRIDES PHARMA UK LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 during 2023-24 have maintained a sustainable stock level relative to the sales recorded; SPUK does not anticipate any major supply chain bottlenecks in 2024-25.

Currency

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

Interest risk

The current outlook on interest rates is a gradual reduction from the current levels. Since the external loan is tied to Bank of England base rate, there is less volatility and with a forecast reduction in 2024-25 the interest rate risk is much lower and can be managed.

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

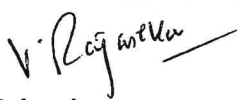
High competition levels will continue to be a factor in the sector particularly in the generic arena. Competitors are looking to emulate our successful business model in certain areas of our business. The company will strive to create and develop more verticals to contend with them.

Outlook

The outlook for 2024-25 is positive with reduced risk of higher inflation and interest rates.

Continuation of the reset strategies set in 2022-23 has delivered overall performance improvement in 2023-24. SPUK are now well positioned to further leverage the opportunities into increase sales and profits in 2024-25.

This report was approved by the board on 02/08/2024 and signed on its behalf.


Mr V Rajasekar
Director

STRIDES PHARMA UK LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

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 £837,889 (2023 - £669,769).

The Directors do not recommend payment of dividends for the year (2023 - £Nil)

Directors

The directors who served during the year were:

Mr V Rajasekar
Mr M K Pillai
Mr M Islam
Mr A Mehta

Future developments

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

STRIDES PHARMA UK LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

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 02/08/2024 and signed on its behalf.



Mr V Rajasekar
Director

STRIDES PHARMA UK LTD

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

Opinion

We have audited the financial statements of Strides Pharma UK Ltd (the 'Company') for the year ended 31 March 2024, 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 2024 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.

STRIDES PHARMA UK LTD

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

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.

STRIDES PHARMA UK LTD

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

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:

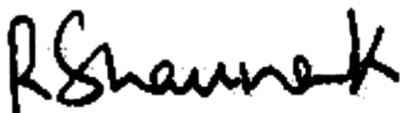
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant 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. 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: 06/08/2024

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 2024**

	Note	2024 £	2023 £
Turnover	4	28,687,503	24,544,791
Cost of sales		(21,245,901)	(18,690,393)
Gross profit		7,441,602	5,854,398
Administrative expenses		(5,149,561)	(4,688,222)
Operating profit	5	2,292,041	1,166,176
Interest receivable and similar income	9	17	39,712
Interest payable and similar expenses	10	(1,009,537)	(301,967)
Profit before tax		1,282,521	903,921
Tax on profit	11	(444,632)	(234,152)
Profit for the financial year		837,889	669,769

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023:£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 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	12	8,051,797	4,917,520
Tangible assets	13	398,443	329,573
		<u>8,450,240</u>	<u>5,247,093</u>
Current assets			
Stocks	14	12,736,275	11,620,700
Debtors: amounts falling due within one year	15	7,825,865	8,951,108
Cash at bank and in hand	16	85,598	118,105
		<u>20,647,738</u>	<u>20,689,913</u>
Creditors: amounts falling due within one year	17	(10,702,325)	(17,895,043)
Net current assets		<u>9,945,413</u>	<u>2,794,870</u>
Total assets less current liabilities		<u>18,395,653</u>	<u>8,041,963</u>
Creditors: amounts falling due after more than one year	18	(9,515,801)	-
Net assets		<u><u>8,879,852</u></u>	<u><u>8,041,963</u></u>
Capital and reserves			
Called up share capital	22	14,400	14,400
Share premium account	23	2,370,600	2,370,600
Profit and loss account	23	6,494,852	5,656,963
Shareholder's funds		<u><u>8,879,852</u></u>	<u><u>8,041,963</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

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

STRIDES PHARMA UK LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
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 1 April 2023	14,400	2,370,600	5,656,963	8,041,963
Comprehensive income for the year				
Profit for the year	-	-	837,889	837,889
Total comprehensive income for the year	-	-	837,889	837,889
At 31 March 2024	14,400	2,370,600	6,494,852	8,879,852

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

STRIDES PHARMA UK LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	2023 £
Cash flows from operating activities		
Profit for the financial year	837,889	669,769
Adjustments for:		
Amortisation of intangible assets	666,172	696,752
Depreciation of tangible assets	24,850	110,589
Profit on sale of tangible assets	-	(100,000)
Interest paid	1,009,537	301,967
Interest received	(17)	(39,712)
Taxation charge	241,786	234,152
(Increase)/decrease in stocks	(1,115,575)	8,305,614
Decrease/(increase) in debtors	847,818	(4,722,002)
Decrease in amounts owed by groups	29,018	1,182,869
Increase/(decrease) in creditors	267,806	(264,270)
(Decrease) in amounts owed to groups	(6,741,785)	(7,140,449)
Net cash generated from operating activities	(3,932,501)	(764,721)
Cash flows from investing activities		
Purchase of intangible fixed assets	(3,800,449)	(104,447)
Sale of intangible assets	-	100,000
Purchase of tangible fixed assets	(93,721)	(17,242)
Interest received	17	39,712
Net cash from investing activities	(3,894,153)	18,023

STRIDES PHARMA UK LTD

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	2023 £
Cash flows from financing activities		
New secured loans	8,803,684	-
Repayment of loans	-	(1,365,266)
Interest paid	(1,009,537)	(301,967)
Net cash used in financing activities	<u>7,794,147</u>	<u>(1,667,233)</u>
Net (decrease) in cash and cash equivalents	<u>(32,507)</u>	<u>(2,413,931)</u>
Cash and cash equivalents at beginning of year	118,105	2,532,036
Cash and cash equivalents at the end of year	<u><u>85,598</u></u>	<u><u>118,105</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	85,598	118,105
	<u><u>85,598</u></u>	<u><u>118,105</u></u>

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

STRIDES PHARMA UK LTD

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2024**

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	118,105	(32,507)	85,598
Debt due within 1 year	(3,645,956)	712,117	(2,933,839)
	<u>(3,527,851)</u>	<u>679,610</u>	<u>(2,848,241)</u>

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

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 2024

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 2024

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.

STRIDES PHARMA UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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.

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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:

	2024 £	2023 £
Pharmaceutical products	28,687,503	24,544,791
	<u>28,687,503</u>	<u>24,544,791</u>

All turnover arose within the United Kingdom.

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. Operating profit

The operating profit is stated after charging:

	2024 £	2023 £
Exchange differences	16,170	12,863

6. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	56,250	22,000

7. Employees

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

	2024 £	2023 £
Wages and salaries	2,307,851	1,645,063
Social security costs	252,091	208,362
Cost of defined contribution scheme	32,316	30,188
	2,592,258	1,883,613

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

	2024 No.	2023 No.
Employees	24	23

STRIDES PHARMA UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	607,174	443,900
Directors national insurance	79,107	62,449
Company contributions to defined contribution pension schemes	10,311	9,547
	<u>696,592</u>	<u>515,896</u>

The highest paid director received remuneration of £280,262 (2023 - £191,600).

9. Interest receivable

	2024 £	2023 £
Other interest receivable	17	39,712
	<u>17</u>	<u>39,712</u>

10. Interest payable and similar expenses

	2024 £	2023 £
Bank/loan interest payable	1,009,537	301,967
	<u>1,009,537</u>	<u>301,967</u>

STRIDES PHARMA UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. Taxation

	2024 £	2023 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	444,632	234,152
Total deferred tax	444,632	234,152
Taxation on profit on ordinary activities	444,632	234,152

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - *higher than*) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	1,282,521	903,921
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	320,630	171,745
Effects of:		
Expenses not deductible for tax purposes	-	1,950
Fixed asset differences	-	(593)
Other timing differences leading to an increase (decrease) in taxation	124,002	61,050
Total tax charge for the year	444,632	234,152

Factors that may affect future tax charges

There were no factors that may affect future tax charges

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

12. Intangible assets

	Licences £
Cost	
At 1 April 2023	9,246,893
Additions	3,800,449
At 31 March 2024	<u>13,047,342</u>
Amortisation	
At 1 April 2023	4,329,373
Charge for the year on owned assets	666,172
At 31 March 2024	<u>4,995,545</u>
Net book value	
At 31 March 2024	<u>8,051,797</u>
At 31 March 2023	<u>4,917,520</u>

STRIDES PHARMA UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2023	348,476	40,885	339,661	729,022
Additions	-	10,610	83,111	93,721
At 31 March 2024	<u>348,476</u>	<u>51,495</u>	<u>422,772</u>	<u>822,743</u>
Depreciation				
At 1 April 2023	45,790	36,443	317,216	399,449
Charge for the year on owned assets	2,246	2,558	20,047	24,851
At 31 March 2024	<u>48,036</u>	<u>39,001</u>	<u>337,263</u>	<u>424,300</u>
Net book value				
At 31 March 2024	<u>300,440</u>	<u>12,494</u>	<u>85,509</u>	<u>398,443</u>
At 31 March 2023	<u>302,686</u>	<u>4,442</u>	<u>22,445</u>	<u>329,573</u>

14. Stocks

	2024 £	2023 £
Finished goods and goods for resale	12,736,275	11,620,700
	<u>12,736,275</u>	<u>11,620,700</u>

STRIDES PHARMA UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15. Debtors

	2024 £	2023 £
Trade debtors	7,012,132	7,493,227
Amounts owed by group undertakings	-	29,018
Other debtors	-	202,848
Prepayments and accrued income	87,302	54,951
Deferred taxation (note 21)	726,431	1,171,064
	<u>7,825,865</u>	<u>8,951,108</u>

The company's trade debtors are secured by an invoice discounting facility of £5m.

16. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	85,598	118,105
	<u>85,598</u>	<u>118,105</u>

17. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank loans	2,933,839	3,645,956
Trade creditors	413,172	246,480
Amounts owed to group undertakings	5,344,483	12,086,268
Corporation tax	10,066	16,688
Other taxation and social security	1,146,598	1,112,476
Accruals and deferred income	854,167	787,175
	<u>10,702,325</u>	<u>17,895,043</u>

STRIDES PHARMA UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

	2024 £	2023 £
Amounts owed to group undertakings	9,515,801	-
	<u>9,515,801</u>	<u>-</u>

The intragroup entity loan is payable to Strides Global Pharma Pte Ltd of £9.5m. The loan's rate of interest is 11.5% and is repayable in 3 years. The loan is unsecured.

19. Loans

Analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year		
Bank loans	2,933,839	3,645,956
	<u>2,933,839</u>	<u>3,645,956</u>

20. Financial instruments

	2024 £	2023 £
Financial assets		
Financial assets measured at amortised cost	85,598	118,105
Financial assets that are debit instruments measured at amortised cost	7,012,132	7,725,093
	<u>7,097,730</u>	<u>7,843,198</u>
Financial liabilities		
Financial liabilities measured at amortised cost	8,691,494	(15,978,704)
	<u>8,691,494</u>	<u>(15,978,704)</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.

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

21. Deferred taxation

	2024 £
At beginning of year	1,171,064
Charged to profit or loss	(444,633)
At end of year	726,431

The deferred tax asset is made up as follows:

	2024 £	2023 £
Tax losses carried forward	726,431	1,171,064
	726,431	1,171,064

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

22. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
14,400 (2023 - 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). The guarantee was extinguished in June 2024.

25. Capital commitments

There are no capital commitments at the year end (2023: £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 £32,316 (2023: £30,188). Contributions totalling £7,514 (2023: £7,485) were payable to the fund at the balance sheet date and are included in accruals at year end.

STRIDES PHARMA UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

27. Commitments under operating leases

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	79,272	3,293
Later than 1 year and not later than 5 years	11,486	10,647
	<u>90,758</u>	<u>13,940</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 2024 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.

STRIDES PHARMA UK LTD

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Turnover		28,687,503	24,544,791
Cost of sales		(21,245,901)	(18,690,393)
Gross profit		<u>7,441,602</u>	<u>5,854,398</u>
Gross profit %		25.9 %	23.9 %
Less: overheads			
Administration expenses		(5,149,561)	(4,688,222)
Operating profit		<u>2,292,041</u>	<u>1,166,176</u>
Interest receivable		17	39,712
Interest payable		(1,009,537)	(301,967)
Tax on profit on ordinary activities		(444,632)	(234,152)
Profit for the year		<u>837,889</u>	<u>669,769</u>

STRIDES PHARMA UK LTD

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover		
Sales	28,687,503	24,544,791
	<u>28,687,503</u>	<u>24,544,791</u>
	2024 £	2023 £
Cost of sales		
Stock movement	(1,115,574)	(4,438,669)
Purchases	20,157,238	21,161,814
Direct manufacturing costs	2,204,237	1,967,248
	<u>21,245,901</u>	<u>18,690,393</u>

STRIDES PHARMA UK LTD

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Administration expenses		
Directors national insurance	79,107	62,449
Directors salaries	607,174	443,900
Directors pension costs	10,311	9,547
Staff salaries	1,700,677	1,201,163
Staff national insurance	172,984	145,913
Staff pension costs	22,005	20,641
Staff welfare	7,746	12,219
Entertainment	240,971	115,565
Hotels, travel and subsistence	119,284	168,167
Printing and stationery	2,022	5,943
Postage	2,810	1,654
Telephone and fax	9,296	9,247
Computer costs	30,309	28,923
General office expenses	239,874	190,928
Advertising and promotion	57,609	14,997
Trade subscriptions	554,217	556,281
Legal and professional	409,732	737,328
Auditors' remuneration	56,250	41,700
Bad debts	-	77,929
Difference on foreign exchange	16,170	12,863
Rates	10,701	11,235
Light and heat	4,552	2,560
Cleaning	6,937	8,423
Insurances	62,523	62,991
Repairs and maintenance	5,035	4,841
Depreciation	24,851	110,589
Amortisation	666,172	696,752
Management charges	30,242	33,474
Profit/(loss) on disposal of assets	-	(100,000)
	<u>5,149,561</u>	<u>4,688,222</u>
	2024 £	2023 £
Interest receivable		
Other interest receivable	17	39,712
	<u>17</u>	<u>39,712</u>

STRIDES PHARMA UK LTD

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Interest payable		
Bank/loan interest payable	1,009,537	301,967
	<u>1,009,537</u>	<u>301,967</u>