

Company Registration No. 500001 (Ireland)

UNICHEM LABORATORIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

UNICHEM LABORATORIES LIMITED

COMPANY INFORMATION

Directors	G. M. Cole (British) N. Colbert (Irish) D. Kunkollenkar (Indian)
Secretary	N. Colbert
Company number	500001
Registered office	Studio 8b Ard Gaoithe Commercial Centre Ard Gaoithe Business Park Cashel Road, Clonmel County Tipperary Ireland
Independent auditor	RBK Business Advisers Boole House Beech Hill Office Campus Clonskeagh Dublin 4 DD4 A563 Ireland
Business address	Studio 8b Ard Gaoithe Commercial Centre Ard Gaoithe Business Park Cashel Road, Clonmel County Tipperary Ireland

UNICHEM LABORATORIES LIMITED

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UNICHEM LABORATORIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and audited financial statements for the year ended 31 March 2020.

In preparing the financial statements, the Directors have exercised the options available to a small private company under the Companies Act 2014.

Principal activities

The principal activity of the company continued to be that of selling, developing and sourcing generic medicines.

Directors and secretary

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

G. M. Cole (British)
N. Colbert (Irish)
D. Kunkolienkar (Indian)

Results and dividends

The loss for the year, after taxation, amounted to €618,696 (2019 : €390,003).

The directors do not recommend payment of a dividend (2019: nil).

Directors' interests

There are no directors' interests requiring disclosure under Section 329 of the Companies Act 2014.

Supplier payment policy

The directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations 2012. Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy during the year under review was to comply with the requirements of the Regulations.

Accounting records

The company's directors are aware of their responsibilities, under sections 281 to 285 of the Companies Act 2014 as to whether in their opinion, the accounting records of the company are sufficient to permit the financial statements to be readily and properly audited and are discharging their responsibility by:

- the implementation of necessary policies and procedures for recording transactions,
- the employment of competent accounting personnel with appropriate expertise, and
- the provision of adequate resources to the financial function.

The accounting records are held at Unit 5, 151 Baldoyle Industrial Estate, Baldoyle, Dublin, Ireland.

Post reporting date events

The directors have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 with regard to the company's activities. Given the company's trade in pharmaceuticals, the directors do not expect the outbreak to have a significant negative effect on the business. The directors do not consider that the outbreak is likely to cause any significant lasting disruption to the company's trade. At the date of approval of these financial statements, the extent and quantum of the disruption remains uncertain.

In May 2020 the company increased its share capital by €1,060,000 to €2,760,000 by issuing 1,060,000 Ordinary shares of €1 each, ranking pari passu in all respects with the existing Ordinary shares. The share capital was paid in full on issuance of the shares.

Future developments

The company is seeking to improve its turnover and customer base with the launch of new products.

UNICHEM LABORATORIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Independent auditors

In accordance with the Companies Act 2014, section 384(1), RBK Business Advisers were appointed as auditors of the company.

Statement on relevant audit information

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 auditors are unaware, and
- The directors have 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 the information.

On behalf of the board



G. M. Cole (British)

Director 3/6/20

Date:



N. Colbert (Irish)

Director 3/6/20

Date:

UNICHEM LABORATORIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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

Irish 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

On behalf of the board



G. M. Cole (British)

Director 3/6/20



N. Colbert (Irish)

Director 3/6/20

UNICHEM LABORATORIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNICHEM LABORATORIES LIMITED

Opinion

We have audited the financial statements of Unichem Laboratories Limited (the 'company') for the year ended 31 March 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that in our opinion:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

UNICHEM LABORATORIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF UNICHEM LABORATORIES LIMITED

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

We have nothing to report in respect of our obligation under the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, 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.

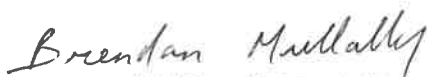
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Brendan Mullally (Senior Statutory Auditor)
for and on behalf of RBK Business Advisers

Chartered Accountants and
Statutory Audit Firm
Boole House
Beech Hill Office Campus
Clonskeagh
Dublin 4
D04 A563
Ireland

3/06/2020

UNICHEM LABORATORIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	€	€
Turnover	3	341,099	659,320
Cost of sales		(287,615)	(426,530)
Stock write-off		(119,123)	(92,545)
Gross (loss)/profit		(65,639)	140,245
Administrative expenses		(538,781)	(506,556)
Operating loss	4	(604,420)	(366,311)
Interest payable and similar expenses	6	(14,276)	(23,692)
Loss before taxation		(618,696)	(390,003)
Tax on loss		-	-
Loss for the financial year		(618,696)	(390,003)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no recognised gains and losses for 2020 other than those included in the profit and loss account.

UNICHEM LABORATORIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	2020 €	2019 €
Loss for the year	(618,696)	(390,003)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(618,696)</u>	<u>(390,003)</u>

UNICHEM LABORATORIES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		€	€	€	€
Fixed assets					
Intangible assets	8			257,851	
Tangible assets	9		4,855	610,379	
			<u>4,855</u>	<u>868,230</u>	
Current assets					
Stocks	11	9,384		324,403	
Debtors	12	5,407		81,200	
Cash at bank and in hand		16,654		61,796	
		<u>31,445</u>		<u>467,399</u>	
Creditors: amounts falling due within one year	13	(1,082,608)		(1,763,241)	
Net current liabilities			(1,051,163)		(1,295,842)
Total assets less current liabilities			<u>(1,046,308)</u>		<u>(427,612)</u>
Capital and reserves					
Called up share capital presented as equity	15	1,700,000		1,700,000	
Profit and loss reserves		(2,746,308)		(2,127,612)	
Total equity		<u>(1,046,308)</u>		<u>(427,612)</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Financial Reporting Statement 102 'The Financial Statement Reporting Standard applicable in the UK and Republic of Ireland', (Applying section 1A).

The financial statements were approved by the board of directors and authorised for issue on 3/6/20 and are signed on its behalf by:



G. M. Cole (British)
Director



N. Colbert (Irish)
Director

Company Registration No. 500001

UNICHEM LABORATORIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Share capital	Profit and loss reserves	Total
Notes	€	€	€
Balance at 1 April 2018	1,250,000	(1,737,609)	(487,609)
Year ended 31 March 2019:			
Loss and total comprehensive income for the year	-	(390,003)	(390,003)
Issue of share capital	450,000	-	450,000
Balance at 31 March 2019	1,700,000	(2,127,612)	(427,612)
Year ended 31 March 2020:			
Loss and total comprehensive income for the year	-	(618,696)	(618,696)
Balance at 31 March 2020	15 1,700,000	(2,746,308)	(1,046,308)

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Unichem Laboratories Limited is a limited company incorporated in Ireland. The registered office is Studio 8b, Ard Gaolthe Commercial Centre, Ard Gaolthe Business Park, Cashel Road, Clonmel, County Tipperary, Ireland.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2014.

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

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

1.2 Going concern

As stated in the Directors' report the directors have considered the effect of the Covid-19 outbreak. The directors do not consider that the outbreak is likely to cause significant disruption to the company's business. On the basis of continued support from the parent company, who has indicated their intention to continue to provide financial support to the company and who also considers that their business will not be significantly affected by the Covid-19 outbreak, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

1.4 Intangible fixed assets

Intangible assets comprise licence submission fees which are amortised over their estimated useful economic life (expected to be about 5 years) from commencement of marketing. An annual impairment test is applied to ensure that the remaining value in each asset can be realised.

1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

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

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

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

1.7 Stocks

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

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

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

Classification of financial liabilities

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

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and amounts due to fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

1.12 Taxation

Current tax including Irish corporation tax and foreign taxes is provided on the company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

1.13 Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.14 Finance costs

Finance costs are charged to the profit and loss account 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.

1.15 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

1.16 Cash flow statement exemption

The company has availed of the exemption contained in Section 1A of FRS 102 and as a result have elected not to prepare a cash flow statement.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

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

Impairment of intangible assets

Due to changes in the company's customer base, the carrying amount of intangible assets, being pharmaceutical licences owned by the company, was considered impaired. Therefore a charge of €99,419 has been recognised during the year to reflect this judgement and to reduce the carrying value of these intangible assets to nil. Dependent on future developments, these assets may turn out to hold a fair value in excess of the new carrying amount.

3 Turnover and other revenue

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

	2020	2019
	€	€
Turnover analysed by class of business		
Product sales	239,355	534,312
Licence sales	101,744	125,008
	<u>341,099</u>	<u>659,320</u>

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Turnover and other revenue		(Continued)	
	2020	2019	
	€	€	
Turnover analysed by geographical market			
Europe	341,099	629,756	
Rest of the World	-	29,564	
	<u>341,099</u>	<u>659,320</u>	
4 Operating loss		2020	2019
Operating loss for the year is stated after charging:		€	€
Exchange losses	234	307	
Depreciation of owned tangible fixed assets	74,536	89,286	
Amortisation of intangible assets	158,432	169,445	
Impairment of intangible assets	99,419	-	
Cost of stocks recognised as an expense	287,615	426,530	
Impairment of stocks recognised or reversed	119,123	92,545	
	<u>119,123</u>	<u>92,545</u>	

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees

There were no employees during the year.

The directors did not receive any remuneration during the year (2019: €nil).

6 Interest payable and similar expenses

	2020	2019
	€	€
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	14,276	23,692
	<u>14,276</u>	<u>23,692</u>

7 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2020	2019
		€	€
In respect of:			
Licence submission fees	8	99,419	-
Stocks	11	119,123	92,545
		<u>119,123</u>	<u>92,545</u>
Recognised in:			
Cost of sales		119,123	92,545
Administrative expenses		99,419	-
		<u>119,123</u>	<u>92,545</u>

8 Intangible fixed assets

	Licence submission fees
	€
Cost	
At 1 April 2019 and 31 March 2020	902,640
Amortisation and impairment	
At 1 April 2019	644,789
Amortisation charged for the year	158,432
Impairment losses	99,419
At 31 March 2020	902,640
Carrying amount	
At 31 March 2020	-
At 31 March 2019	257,851

More information on the impairment arising in the year is given in note 7.

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Intangible fixed assets (Continued)

Following review of the company's intangible assets, the directors consider it prudent to recognise an impairment charge in the year following the fall in fair value of the intangible assets.

9 Tangible fixed assets

Land and buildings leasehold

€

Cost

At 1 April 2019

793,543

Disposals

(781,733)

At 31 March 2020

11,810

Depreciation and impairment

At 1 April 2019

183,164

Depreciation charged in the year

74,536

Eliminated in respect of disposals

(250,745)

At 31 March 2020

6,955

Carrying amount

At 31 March 2020

4,855

At 31 March 2019

610,379

10 Financial instruments

2020

2019

-

€

€

Carrying amount of financial assets

Debt instruments measured at amortised cost

4,364

80,132

Carrying amount of financial liabilities

Measured at amortised cost

1,082,608

1,763,241

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors.

Financial liabilities measured at amortised cost comprise of bank loans and overdrafts, trade creditors, accruals and amounts owed to group undertakings.

11 Stocks

2020

2019

€

€

Finished goods and goods for resale

9,384

324,403

The replacement cost of stock did not differ significantly from the figures shown above.

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Debtors		2020	2019
		€	€
Amounts falling due within one year:			
Trade debtors		4,364	80,132
Prepayments		1,043	1,068
		<u>5,407</u>	<u>81,200</u>
13 Creditors: amounts falling due within one year		2020	2019
	Notes	€	€
Bank loans and overdrafts	14	605,000	1,225,000
Trade creditors		267	12,985
Amounts due to group undertakings		456,785	494,069
Accruals		20,556	31,187
		<u>1,082,608</u>	<u>1,763,241</u>
14 Loans and overdrafts		2020	2019
		€	€
Bank loans		605,000	1,225,000
		<u>605,000</u>	<u>1,225,000</u>
Payable within one year		605,000	1,225,000
		<u>605,000</u>	<u>1,225,000</u>
<p>The bank loans are secured/guaranteed by a standby letter of credit supported by Unichem Laboratories Limited (India), the company's parent. The parent company has confirmed that it will continue to provide this support for the foreseeable future. The loans bear interest at 1.5% per annum and are repayable in full on demand. Interest is payable on a quarterly basis.</p>			
15 Share capital		2020	2019
		€	€
Ordinary share capital			
Issued and fully paid equity			
1,700,000 Ordinary shares of €1 each		1,700,000	1,700,000
		<u>1,700,000</u>	<u>1,700,000</u>

UNICHEM LABORATORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Events after the reporting date

The directors have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 with regard to the company's activities. Given the company's trade in pharmaceuticals, the directors do not expect the outbreak to have a significant negative effect on the business. The directors do not consider that the outbreak is likely to cause any significant lasting disruption to the company's trade. At the date of approval of these financial statements, the extent and quantum of the disruption remains uncertain.

In May 2020 the company increased its share capital by €1,060,000 to €2,760,000 by issuing 1,060,000 Ordinary shares of €1 each, ranking pari passu in all respects with the existing Ordinary shares. The share capital was paid in full on issuance of the shares.

17 Controlling party

The directors regard the company's parent company, Unichem Laboratories Limited (a company incorporated in India with a registered office address at Unichem Bhavan, Prabhat Estate, Off. S. V. Road, Jogeshwari (West), Mumbai - 400 102), as the ultimate controlling party of the company.

18 Approval of financial statements

The directors approved the financial statements on the 31/6/20

UNICHEM LABORATORIES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019
	€	€	€	€
Turnover				
Sales of products and licences		341,099		659,320
Cost of sales				
Opening stock of finished goods	324,403		442,007	
Finished goods purchases	(27,404)		308,926	
Stock write-off	119,123		92,545	
Closing stock of finished goods	<u>(9,384)</u>		<u>(324,403)</u>	
		(406,738)		(519,075)
Gross (loss)/profit	19.24%	<u>[65,639]</u>	21.27%	<u>140,245</u>
Administrative expenses		<u>(538,781)</u>		<u>(506,556)</u>
Operating loss		<u>(604,420)</u>		<u>(366,311)</u>
Interest payable and similar expenses				
Bank interest on loans and overdrafts		<u>(14,276)</u>		<u>(23,692)</u>
Loss before taxation		<u><u>(618,696)</u></u>		<u><u>(390,003)</u></u>

UNICHEM LABORATORIES LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	€	€
Administrative expenses		
Rent re licences and other	5,380	5,380
Property repairs and maintenance	760	2,844
Insurance	1,783	3,600
Licence submission fees	44,063	53,207
Professional subscriptions	138	133
Legal and professional fees	760	430
Consultancy fees	136,421	162,266
Audit fees	12,300	34,370
Bank charges	4,555	4,553
Printing and stationery	-	735
Amortisation	158,432	169,445
Depreciation	74,536	89,286
Impairment losses	99,419	-
Profit or loss on foreign exchange	234	307
	<u>538,781</u>	<u>506,556</u>
