

Company Registration No. 04877154 (England and Wales)

ACG EUROPE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



ACG EUROPE LIMITED

COMPANY INFORMATION

Directors	S M J Noronha Mr R Beeching	(Appointed 20 October 2018)
Company number	04877154	
Registered office	Hardham Mill Business Park Mill Lane Pulborough West Sussex RH20 1LA	
Auditor	Cleghorn Suite F10 London Road Hardham Pulborough West Sussex RH20 1LA	
Business address	Corby Enterprise Centre London Road Corby NN17 5EU	

ACG EUROPE LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 17

ACG EUROPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Review of business

Turnover for the year has decreased by 4.46% to £18,601,797 compared to the previous year sales revenue of £19,470,805. Sales have been adversely affected by the increasingly competitive environment for hard shell capsules with the market entry of a number of low-cost suppliers and price cutting from the market leader. Despite the decrease in sales the company has reduced the loss before taxation from £129,100 in the previous year to £63,400 through a focus on cost control and added value products. The company continues to make good use of its financial resources and has no bank loan facilities in place.

The company continuously monitors the business and markets in which it operates, in order to act accordingly when uncertainties and risks arise. The main financial risks faced by the company and the way these risks are managed are detailed below.

Principal risks and uncertainties

CREDIT RISK

The company's exposure to credit risk relates to the recoverability of trade receivables. The company has relevant controls and manages its exposure by regularly reviewing credit limits in line with its credit control policies. Debtor days have decreased from 68 to 54 days in the year.

The company has a credit insurance policy in place to mitigate trade debt recovery risk.

LIQUIDITY RISK

The company monitors cashflow and working capital requirements on a constant basis therefore mitigating liquidity risks as much as possible. There is currently no requirement for additional funding facilities and the company is cash positive at the year end.

FOREIGN CURRENCY RISK

The company's principal foreign currency exposure arises from sales made to overseas companies, within the EU. The company mitigates the risk of exchange rate variances by operating a Euro currency bank account.

Development and performance

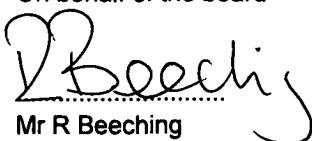
PERFORMANCE MONITORING

In managing the business the company uses a number of key performance indicators, which include; stock control and quality, credit control and sales growth and margins. These are reviewed on a regular basis, and in respect of stock control the company is able to monitor stock levels and mix through its well established distribution channels within the EU and the use of associated companies.

FUTURE DEVELOPMENTS

The Company sees the market becoming even more competitive and in the Company's endeavour to continue growing its business and increase its market share in the coming years it will recruit sales and service personnel who will be based in the UK and in strategic locations in Western Europe. These recruits will progressively replace the agents who earn through commissions in various markets. In the short to medium term the costs will go up as there would be a parallel cost in maintaining the agent until there is a seamless transition. This could affect profitability of the Company in the interim period before the benefits of this initiative are visible.

On behalf of the board



Mr R Beeching

Director

14/03/2019

ACG EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

Principal activities

The principal activity of the company in the year under review was that of pharmaceutical goods wholesalers.

Directors

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

S M J Noronha

Mr R Beeching

S Facer

(Appointed 20 October 2018)

(Resigned 18 October 2018)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Information in relation to credit, liquidity and foreign currency risks, which is required to be included within the Directors Report has been included within the Strategic Report.

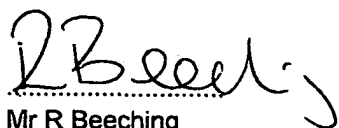
Auditor

The auditor, Cleghorn, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr R Beeching

Director

14 August 2019

ACG EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

ACG EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACG EUROPE LIMITED

Opinion

We have audited the financial statements of ACG Europe Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss 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 *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 the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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 2006

In our opinion, based on the work undertaken in the course of our 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.

ACG EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACG EUROPE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

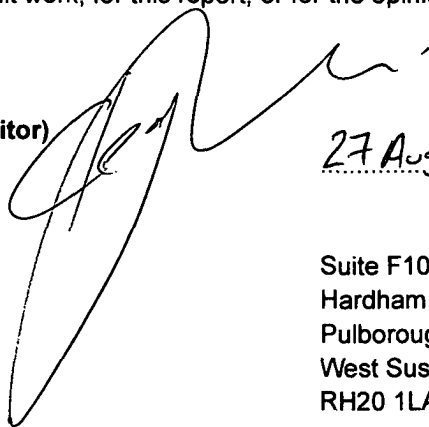
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with 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 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.

Matthew Cleghorn (Senior Statutory Auditor)
for and on behalf of Cleghorn

Chartered Accountants
Statutory Auditor



27 August 2019

Suite F10 London Road
Hardham
Pulborough
West Sussex
RH20 1LA

ACG EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	18,601,797	19,470,805
Cost of sales		(16,445,670)	(17,318,080)
Gross profit		2,156,127	2,152,725
Distribution costs		(1,400,788)	(1,369,077)
Administrative expenses		(1,007,979)	(1,139,484)
Other operating income		189,240	223,064
Operating loss	4	(63,400)	(132,772)
Interest receivable and similar income	7	-	3,672
Loss before taxation		(63,400)	(129,100)
Tax on loss	8	12,046	26,193
Loss for the financial year		(51,354)	(102,907)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

ACG EUROPE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		2,586		2,745
Current assets					
Stocks	10	3,006,467		3,580,349	
Debtors	11	2,842,720		3,705,309	
Cash at bank and in hand		124,631		108,174	
		<u>5,973,818</u>		<u>7,393,832</u>	
Creditors: amounts falling due within one year	12	<u>(3,496,898)</u>		<u>(4,865,717)</u>	
Net current assets			2,476,920		2,528,115
Total assets less current liabilities			<u>2,479,506</u>		<u>2,530,860</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss reserves			<u>2,479,406</u>		<u>2,530,760</u>
Total equity			<u>2,479,506</u>		<u>2,530,860</u>

The financial statements were approved by the board of directors and authorised for issue on 14/08/2019 and are signed on its behalf by:


 Mr R Beeching
 Director

Company Registration No. 04877154

ACG EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2017	100	2,633,667	2,633,767
Year ended 31 March 2018:			
Loss and total comprehensive income for the year	-	(102,907)	(102,907)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	100	2,530,760	2,530,860
Year ended 31 March 2019:			
Loss and total comprehensive income for the year	-	(51,354)	(51,354)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	<hr/> <hr/> 100	<hr/> <hr/> 2,479,406	<hr/> <hr/> 2,479,506

ACG EUROPE LIMITED

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

1 Accounting policies

Company information

ACG Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hardham Mill Business Park, Mill Lane, Pulborough, West Sussex, RH20 1LA.

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 2006.

The financial statements are prepared in sterling being translated from the functional currency of euros as the directors feel the use of sterling as a presentational currency is more appropriate. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of ACG Associated Capsules Private Limited. These consolidated financial statements are available from its registered office; 131 Kandivli Industrial Estate, Kandivli West, Mumbai 400067, Maharashtra, India.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 Tangible fixed assets

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

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

Computer equipment	33% on cost
--------------------	-------------

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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.5 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, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

The tax credit represents the sum of the tax repayable.

Current tax

The tax currently repayable is based on taxable losses for the year. Taxable losses differs from net losses as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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.

3 Turnover and other revenue

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

	2019 £	2018 £
Turnover analysed by class of business		
Sales of pharmaceutical goods	18,601,797	19,470,805

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Turnover and other revenue

(Continued)

	2019 £	2018 £
Other significant revenue		
Interest income	-	3,672

	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	2,009,828	2,422,341
Europe	16,591,969	17,048,464
	18,601,797	19,470,805

4 Operating loss

	2019 £	2018 £
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(3,426)	56,077
Fees payable to the company's auditor for the audit of the company's financial statements	6,525	6,525
Depreciation of owned tangible fixed assets	1,537	858
Cost of stocks recognised as an expense	16,445,670	17,318,080

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Directors	1	2
Administrative staff	7	6
	8	8

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

5 Employees (Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	530,867	475,381
Social security costs	92,653	77,580
Pension costs	14,543	94,174
	<u>638,063</u>	<u>647,135</u>

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	179,988	232,875
Company pension contributions to defined contribution schemes	11,104	94,174
	<u>191,092</u>	<u>327,049</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	n/a	160,095
Company pension contributions to defined contribution schemes	n/a	7,500
	<u></u>	<u></u>

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Other interest income	-	3,672
	<u></u>	<u></u>

8 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on (losses)/profits for the current period	(12,046)	(26,193)
	<u></u>	<u></u>

During the year the applicable tax rate reduced from 20% in the prior year to 19% in the current year.

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Loss before taxation	(63,400)	(129,100)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(12,046)	(24,529)
Effect of change in corporation tax rate	-	(1,309)
Capital allowances in excess of depreciation	-	(355)
Taxation credit for the year	(12,046)	(26,193)

9 Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2018	4,597
Additions	1,436
Disposals	(948)
At 31 March 2019	5,085
Depreciation and impairment	
At 1 April 2018	1,852
Depreciation charged in the year	1,537
Eliminated in respect of disposals	(890)
At 31 March 2019	2,499
Carrying amount	
At 31 March 2019	2,586
At 31 March 2018	2,745

10 Stocks

	2019 £	2018 £
Finished goods and goods for resale	3,006,467	3,580,349

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,762,793	3,599,260
Corporation tax recoverable	31,404	45,985
Other debtors	25,211	17,095
Prepayments and accrued income	23,312	42,969
	<u>2,842,720</u>	<u>3,705,309</u>

Other debtors due within one year include a bank guarantee of £10,334 (2018: £10,566) as requested by the Belgian VAT authorities.

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	112,780	121,123
Taxation and social security	14,578	30,037
Other creditors	3,316,216	4,658,752
Accruals and deferred income	53,324	55,805
	<u>3,496,898</u>	<u>4,865,717</u>

13 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>14,543</u>	<u>94,174</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>

ACG EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

15 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

ACG Associated Capsules Private Limited - Parent Company:-

During the year under review, the company traded with ACG Associated Capsules Private Limited under normal commercial terms and purchased goods amounting to £10,435,674 (2018: £11,076,147). In addition, during the year the company availed/purchased services from ACG Associated Capsules Private Limited of £17,429 (2018: £25,960). As at the balance sheet date, the company owed its parent undertaking an amount of £1,551,488 (2018: £2,821,236).

ACG Pharmapack Private Limited - Related party under common control:-

During the year under review, the company traded with ACG Pharmapack Private Limited under normal commercial terms and purchased goods amounting to £761,360 (2018: £550,492). In addition, during the year the company sold services to ACG Pharmapack Private Limited for £61,619 (2018: £53,659). As at the balance sheet date, the company owed £602,575 (2018: £518,966).

ACG Lukaps d.o.o. - Related party under common control:-

During the year under review, the company traded with ACG Lukaps d.o.o. under normal commercial terms and purchased goods amounting to £4,172,245 (2018: £5,672,612). In addition during the year the company sold goods to ACG Lukaps d.o.o for £20,010 (2018: £29,503). As at the balance sheet date, the company owed £913,664 (2018: £955,953).

ACG PAM - Related party under common control:-

During the year under review, the company traded with ACG PAM under normal commercial terms and purchased goods amounting to £14,415 (2018: £220,689). In addition, during the year the company sold services to ACG PAM for £84,502 (2018: £151,800). As at the balance sheet date, the company owed £26,608 (2018: £103,775).

ACG Inspection Systems Private Limited - Related party under common control:-

During the year under review, the company traded with ACG Inspection Systems Private Limited under normal commercial terms and sold services for £32,097 (2018: £nil). As at the balance sheet date, the company was owed a total of £5,700 (2018: £nil).

16 Directors' transactions

During the year S Facer, a director, received £11,393 (2018: £8,930) in relation to expense reclaims. The director resigned on the 18 October 2018 at which point all monies owed by the company were paid.

During the year R Beeching, a director, received £11,920 in relation to expense reclaims. At the balance sheet date £nil was owed by the company to him.

No dividends have been paid in the current or prior year to directors.

17 Ultimate controlling party

The company is controlled by its parent company, ACG Associated Capsules PVT Limited, a company incorporated in India.