



Cadila Pharmaceuticals (Europe) Limited

ANNUAL REPORT : 2019-20



Company registration number: 04113581

Cadila Pharmaceuticals (Europe) Limited

Filleted financial statements

31 March 2020

Cadila Pharmaceuticals (Europe) Limited

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Cadila Pharmaceuticals (Europe) Limited

Directors and other information

Directors	Dr. R. I. Modi Mr Amitabha Banerjee
Company number	04113581
Registered office	Amba House 4th Floor, Kings Suite 15 College Road Harrow, Middlesex HA1 1BA
Auditor	Nagle James Associates Limited Amba House, 4th Floor, Kings Suite 15 College Road Harrow, Middlesex HA1 1BA
Bankers	Bank of Baroda Skandinaviska Enskilda Banken

Cadila Pharmaceuticals (Europe) Limited

**Directors responsibilities statement
Year ended 31 March 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 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 judgments and accounting estimates that are reasonable and prudent; 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 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.

Cadila Pharmaceuticals (Europe) Limited

**Statement of financial position
31 March 2020**

	Note	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	5	63,882		102,667	
Tangible assets	6	2,333,269		2,421,540	
			2,397,151		2,524,207
Current assets					
Debtors	8	150,387		24,416	
Cash at bank and in hand		485,872		483,043	
		636,259		507,459	
Creditors: amounts falling due within one year	9	(1,023,416)		(996,971)	
Net current liabilities			(387,157)		(489,512)
Total assets less current liabilities			2,009,994		2,034,695
Provisions for liabilities	10		(43,760)		-
Net assets			1,966,234		2,034,695
Capital and reserves					
Called up share capital			2,960,986		2,960,986
Profit and loss account			(994,752)		(926,291)
Shareholders funds			1,966,234		2,034,695

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The notes on pages 6 to 12 form part of these financial statements.

Cadila Pharmaceuticals (Europe) Limited

Statement of financial position (continued)
31 March 2020

These financial statements were approved by the board of directors and authorised for issue on 24 June 2020, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Rajiv', with a horizontal line underneath.

Dr. R. I. Modi
Director

Company registration number: 04113581

The notes on pages 6 to 12 form part of these financial statements.

...Cadila Pharmaceuticals (Europe) Limited

Statement of changes in equity
Year ended 31 March 2020

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2018	2,960,986	(756,190)	2,204,796
Loss for the year		(170,101)	(170,101)
Total comprehensive income for the year	-	(170,101)	(170,101)
At 31 March 2019 and 1 April 2019	2,960,986	(926,291)	2,034,695
Loss for the year		(68,461)	(68,461)
Total comprehensive income for the year	-	(68,461)	(68,461)
At 31 March 2020	2,960,986	(994,752)	1,966,234

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements Year ended 31 March 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Amba House, 4th Floor, Kings Suite, 15 College Road, Harrow, Middlesex, HA1 1BA.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Triennial review 2017 amendments to the standard have been adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company's ultimate parent Cadila Pharmaceuticals Limited will continue to support the company for the foreseeable future. Accordingly, the board of directors considers that it is appropriate that the Company's financial statements are prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Interest income

Other income consists of interest income on bank balance. Interest income is recognised as it accrues in statement of profit and loss.

...Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Intangible assets

Research and development

Expenses on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the assets are controlled by the Company and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as incurred.

Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Any impairment losses are recognised immediately in the statement of profit and loss.

Amortisation

Amortisation of intangible assets, other than goodwill, intangible assets not available for use and intangible assets having indefinite life, is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives from the date that they are available for use.

Patent, Copyright and Licenses - Useful life of asset - 5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

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Notes to the financial statements (continued)

Year ended 31 March 2020

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	- Straight line over 50 years
Office equipment	- Straight line over 3 - 5 years
Fixtures and fittings	- Straight line over 10 years
Motor vehicles	- Straight line over 8 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 3 (2019: 2).

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

5. Intangible assets

	Other intangible assets £	Total £
Cost		
At 1 April 2019 and 31 March 2020	193,927	193,927
Amortisation		
At 1 April 2019	91,260	91,260
Charge for the year	38,785	38,785
At 31 March 2020	130,045	130,045
Carrying amount		
At 31 March 2020	63,882	63,882
At 31 March 2019	102,667	102,667

6. Tangible assets

	Freehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 April 2019	2,254,594	548,272	59,601	11,264	2,873,731
Additions	-	6,912	-	1,135	8,047
At 31 March 2020	2,254,594	555,184	59,601	12,399	2,881,778
Depreciation					
At 1 April 2019	161,899	249,615	30,642	10,035	452,191
Charge for the year	33,075	54,885	7,450	908	96,318
At 31 March 2020	194,974	304,500	38,092	10,943	548,509
Carrying amount					
At 31 March 2020	2,059,620	250,684	21,509	1,456	2,333,269
At 31 March 2019	2,092,695	298,657	28,959	1,229	2,421,540

Cadila Pharmaceuticals (Europe) Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

7. Investments

	Shares in group undertakings and participating interests £	Total £
Cost		
At 1 April 2019 and 31 March 2020	4,840	4,840
Impairment		
At 1 April 2019 and 31 March 2020	4,840	4,840
Carrying amount		
At 31 March 2020	-	-
At 31 March 2019	-	-

8. Debtors

	2020 £	2019 £
Trade debtors	60,000	15,000
Amounts owed by group undertakings and undertakings in which the company has a participating interest	78,874	3,207
Other debtors	11,513	6,209
	<u>150,387</u>	<u>24,416</u>

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings and undertakings in which the company has a participating interest	982,757	983,740
Accruals and deferred income	17,726	12,214
Social security and other taxes	7,073	-
Other creditors	15,860	1,017
	<u>1,023,416</u>	<u>983,740</u>

Other creditors includes amounts payable to employees of £10,829 (2019 - Nil).

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Notes to the financial statements (continued)
Year ended 31 March 2020

10. Provisions

	Deferred tax (note 11)	Total
	£	£
At 1 April 2019	-	-
Charges against provisions	43,760	43,760
At 31 March 2020	<u>43,760</u>	<u>43,760</u>

11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions (note 10)	<u>43,760</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	<u>43,706</u>	<u>-</u>

12. Summary audit opinion

The auditor's report for the year dated 24 June 2020 was unqualified.

The senior statutory auditor was Kaushik Nathwani, for and on behalf of Nagle James Associates Limited.

13. Ultimate parent undertaking

The company's ultimate parent at the balance sheet date was Cadila Pharmaceuticals Limited, incorporated in India and the immediate parent at the balance sheet date was Satellite Overseas Holdings Ltd (SOHL), incorporated in Isle of Man.

The smallest group in which the results of the company are consolidated is that headed by Satellite Overseas Holdings Ltd (SOHL). The largest group in which the results of the company are consolidated is that headed by Cadila Pharmaceuticals Limited (India).

The Consolidated group financial statements of Cadila Pharmaceuticals Limited for the year ended 31 March 2020 are publicly available from the company's corporate address at Cadila Corporate Campus, Sarkhej-Dholka road, Village-Bhat, Ahmedabad 382210, India.