Lupin (Europe) Limited

Reg No. 06925119

Financial Statements

For the Year Ended

March 31 2016

Lupin (Europe) Limited

ANNUAL FINANCIAL STATEMENTS TO MARCH 31 2016

DIRECTORS	A Mathur S Makharia V Nallamchetty (appointed on 21st May 2015)
SECRETARY	A Gogate
NATURE OF BUSINESS	The distribution and wholesalers of generic medicines
INCORPORATION	The Company is incorporated in United Kingdom
HOLDING COMPANY	Lupin Atlantis Holdings SA (incorporated in Switzerland)
REGISTERED OFFICE	Suite 1, Victoria Court, Bexton Road, Knutsford WA16 0PF United Kingdom
REGISTRATION NUMBER	06925119
BANKERS	Citibank NA, HSBC
AUDITORS	Hillier Hopkins LLP

CONTENTS Page

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The financial statements set out on pages 10 to 26 are approved by the board of directors on May 03, 2016 and are signed on their behalf by:

Sunil Makharia

Venkatesh Nallamchetty

Lupin (Europe) Limited

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED MARCH 31 2016

The directors have pleasure in submitting the annual report and the annual financial statements for the year ended March 31 2016.

PRINCIPAL ACTIVITIES

The company's principal activity during the period was the marketing and sales of pharmaceuticals. All manufacturing and distribution is contracted out.

BUSINESS REVIEW

The UK generic pharmaceutical market has been relatively stable with no significant change in pricing mechanisms, levels of competitor activity and distribution channels during the year. The regulatory environment continues to be challenging. However there are some positive signs of an improvement in approval timelines and process optimisation from the regulator.

Sales turnover for the year was £7,064,378 (Previous year - £5,260,118), 34% growth over the previous period.

During the year, the Company increased the sales on the products launched in previous years and was successful in expanding its customer base thereby resulting in strong growth in sales.

The Company reported net loss of £1,308,462 (after tax) as compared to the net loss of £344,161 in the previous year.

RESULTS OF OPERATIONS

The results of operations for the period are detailed in the income statements on page 10 and are to be read in conjunction with the relevant notes.

EMPLOYEES

The Company successfully completed the restructuring process under "The Transfer Of Undertakings (Protection of Employment) Regulations (TUPE)" scheme in the previous year and following which average number of employees during the year stood at 11.

DIVIDEND

During the period no dividend was declared by the Directors.

DIRECTORS

The directors who served during the period were:

S Makharia

A Mathur

V Nallamchetty (appointed on 21st May 2015)

FUTURE DEVELOPMENTS

There have been no material facts or circumstances that have occurred between the accounting date and the date of this report.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITORS

Hillier Hopkins LLP will continue in office in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on May 03, 2016 and signed on their behalf.

Sunil Makharia

Director

Venkatesh Nallamchetty

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law required 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 International Financial Reporting Standards as adopted by the EU. 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 estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Sunil Makharia	Venkatesh Nallamchetty
Director	Director

Lupin (Europe) Limited

STRATEGIC REPORT

Lupin (Europe) Limited is a 100% subsidiary of Lupin Atlantis Holdings SA, Switzerland and was registered in United Kingdom in June 2009, for the purpose of marketing, sales and distribution of generic pharmaceutical products in United Kingdom.

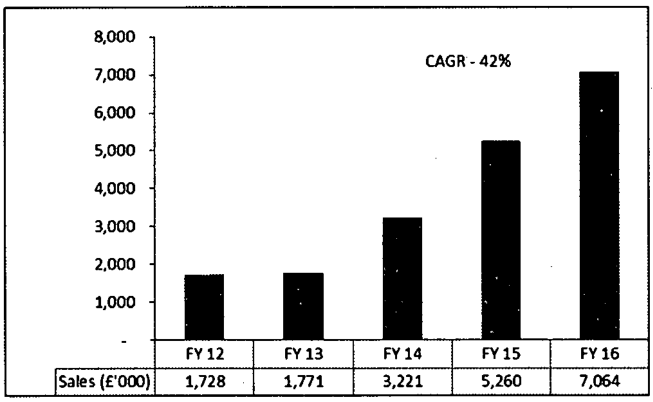
Lupin Group is an innovation led transnational pharmaceutical company producing and developing a wide range of branded and generic formulations as well as biotechnology products and APIs globally. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space and holds global leadership positions in the Anti-TB and Cephalosporin segment.

Lupin Group is the 6th largest and fastest growing top 5 generics player in the US (5.5% market share by prescriptions, IMS Health) and the 3rd largest Indian pharmaceutical company by sales. The Company is also amongst the top 10 generic pharmaceutical players in Japan and South Africa (IMS).

Lupin (Europe) Limited derives significant benefits from the expertise and support which Lupin Limited is able to provide, primarily in the areas of R&D and manufacturing.

The pharmaceutical market in UK is estimated at £13.5bn of which generic business is estimated at £4.5bn. The UK market is amongst the lowest priced market and depressed profitability levels are predominant even among the big players like Teva, Actavis, Mylan, Stada and Sandoz. There are approximately 13,300 pharmacies in the UK which are primarily divided into two main sub-groups – Multiples and Independent pharmacies. High competition between manufacturers drive down prices, often leading to a reduction of 90% or more within a few weeks of launch.

Over the past 5 years, Lupin (Europe) Limited has made significant progress in terms of building the foundation and to increase the sales in line with the long term strategy of the business. The company continued to increase the market shares on the existing molecules resulting in increase in sales by 34% year on year with a Compounded Annual Growth Rate of 42% over last 5 years.



The company has also benefited from the change in the customer base during the year, from independent pharmacies only business to long term contracts with multiple chain customers like Alliances Boots and AAH and expanding its customer base to multiple short liners.

The company recognises that lower than expected off-take in the hospital / tender business have not only resulted in reduced sales but also negatively impacted the gross margins during the year. Steep price erosion on some of the products and supply issues in key product like Sertraline have impacted the sales and profits negatively during the year.

With increased healthcare cost pressure from Government / NHS, cost competitiveness has become key to sustained growth in UK pharmaceutical business. The company recognises that compliance of stringent regulatory norms, competitive cost base, right mix of customers, right mix of products and robust supply chain remain the key for long term sustainable growth in the UK.

The company remains committed to continue the growth momentum in future, both in sales and profitability and have therefore laid out clear plans for the current management to ensure that the overall growth objectives are achieved. Key elements of the plan include review / evaluation / optimisation of non-commercialised products, portfolio rationalisation, targeting limited competition products and entry into high margin speciality branded segment.

Sunil Makharia

Director

Venkatesh Nallamchetty

Director

Date: May 03, 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LUPIN (EUROPE) LIMITED

We have audited the company financial statements (the "financial statements") of Lupin (Europe) Limited for the year ended 31 March 2016, which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

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 this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITY OF DIRECTORS AND AUDITOR

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit and loss for the year then ended;
- have been properly prepared in accordance with the International Financial Reporting Standards as adopted by EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

P. Coll

Phillip Collins FCA (Senior statutory auditor)

for and on behalf of
HILLIER HOPKINS LLP

Chartered Accountants
Statutory Auditor

51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 11 MAY 2016

Lupin (Europe) Limited

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31 2016

	Note	Year ended March 31 2016 £	Year ended March 31 2015 £
REVENUE	2	7,064,378	5,260,118
Cost of sales	3	(6,145,621)	(4,583,735)
GROSS PROFIT / (LOSS)		**918,757**	**676,383**
Other Income		1,876,011	3,654,187
Operating Costs	3	(4,043,661)	(4,636,223)
(LOSS) / PROFIT FROM OPERATIONS		**(1,248,893)**	**(305,653)**
Interest Income		-	-
Interest Paid		(83,069)	(9,864)
(LOSS) / PROFIT BEFORE TAXATION		**(1,331,962)**	**(315,517)**
Taxation	4	23,500	(28,644)
(LOSS) / PROFIT		**(1,308,462)**	**(344,161)**

Lupin (Europe) Limited

REGISTERED NUMBER: 6925119

BALANCE SHEET AT MARCH 31 2016

	Note	At March 31 2016 £	At March 31 2015 £
ASSETS			
Non-current assets			
Intangible assets	5A	62,603	90,599
Plant and equipment	5B	31,454	35,656
		94,057	126,255
Current Assets			
Inventories	6	3,392,333	2,426,314
Trade and other receivables	7	3,284,048	3,045,880
Taxation		47,673	24,173
Cash and cash equivalents	8	176,092	193,746
		6,900,146	5,690,113
Deferred Tax Asset	17	-	-
Total assets		**6,994,203**	**5,816,368**
EQUITY AND LIABILITIES			
Capital and reserves			
Issued Capital	9	251,000	251,000
Retained earnings		(3,190,710)	(1,882,248)
		(2,939,710)	(1,631,248)
Non- Current Liabilities			
Long term Loan		4,167,448	4,052,545
Current Liabilities			
Trade and other payables	10	305,636	702,587
Other creditors	11	5,460,829	2,692,484
		5,766,465	3,395,071
Total equity and liabilities		**6,994,203**	**5,816,368**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on May 03, 2016.

Sunil Makharia

Director

Venkatesh Nallamchetty

Director

Lupin (Europe) Limited

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31 2016

	Ordinary Share Capital £	Retained earnings £	Total £
Opening Balance	251,000	(1,882,248)	(1,631,248)
Profit for the year	-	(1,308,462)	(1,308,462)
Balance at March 31 2016	**251,000**	**(3,190,710)**	**(2,939,710)**

	Ordinary Share Capital £	Retained earnings £	Total £
Opening Balance	251,000	(1,538,087)	(1,287,087)
Profit for the year	-	(344,161)	(344,161)
Balance at March 31 2015	**251,000**	**(1,882,248)**	**(1,631,248)**

Lupin (Europe) Limited

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31 2016

	Note	Year ended March 31 2016 £	Year ended March 31 2015 £
Cash flows from operating activities			
Cash generated from operations	15	(1,098,834)	(269,031)
Movements in working capital		1,167,208	(3,617,585)
		68,374	(3,886,616)
Interest Paid		(83,069)	(9,864)
Cash generated in operating activities		(14,695)	(3,896,480)
Purchase of marketing rights		-	(4,995)
Purchase of equipment		(2,958)	(7,131)
Net cash flow from investing activities		(2,958)	(12,126)
Long term Loan from Lupin BV		-	4,052,545
Net cash inflow from financing activities		-	4,052,545
Net Movement in cash and cash equivalents		(17,653)	143,939
Cash and cash equivalents at the beginning of the period		193,746	49,807
Cash and cash equivalents at the end of the period		176,093	193,746

1. ACCOUNTING POLICIES

The principle accounting policies applied in the presentation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements of Lupin (Europe) Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

1.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the significant risks and rewards of ownership have been transferred to the buyer.

1.3 Intangible Assets

Intangible assets are stated at historical cost less amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included on the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Intangible assets are amortised using the straight line method to allocate their cost over their estimated useful economic lives as follows:

Marketing Rights – 20%

An item of intangible assets is derecognised when no future economic benefits are expected from its use.

1.4 Property, Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included on the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate their cost over their estimated useful economic lives as follows:

Computer equipments – 16.21%
Furniture and fittings – 6.33%
Office equipments – 4.75%

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use.

1.5 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in the other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

1.6 Inventories

Inventory is valued at the lower of cost and net realisable value. Cost is determined on the moving weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.7 Financial instruments

Financial instruments are initially measured at fair value, including transaction costs, when the company becomes a party to the contractual arrangements. Transaction costs in respect of financial assets classified as fair value through profit and loss are incurred as an expense.

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of the business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of three months or less. In the cash flow statements, bank balances and cash consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment

All financial assets are reviewed (individually or collectively) for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying value of these instruments exceeds recoverable amount, the asset is written down to the recoverable amount. Impairment losses are recognised in the income statement.

Derecognition

A financial asset is derecognised where the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.8 Provisions

Provisions are recognised where there is a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The expense relating to any provisions is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

1.9 Foreign currency translations

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The company's functional and presentation currency is British Pound and all amounts, unless otherwise indicated, are stated in British Pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Exchange differences on non-monetary items are accounted for based on the classification of the underlying items.

1.10 Current and Deferred Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement and is calculated on the basis of tax laws enacted at the balance sheet date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are not discounted.

1.10 Employee Benefits

Obligations for contributions to the defined pension plan are recognised as an expense in the income statement as incurred.

		Year ended March 31 2016	Year ended March 31 2015
2	**Revenue**	**£**	**£**
	Revenue comprises the following:		
	Turnover	7,064,378	5,260,118
		7,064,378	**5,260,118**

		Year ended March 31 2016	Year ended March 31 2015
3	**(LOSS) / PROFIT FROM OPERATIONS BEFORE INTEREST**	**£**	**£**
	Operating loss before interest is stated after taking the following items into account		
	Cost of Materials		
	Purchase of traded goods	7,111,640	5,498,484
	Opening stock	2,426,314	1,511,565
	Closing Stock	(3,392,333)	(2,426,314)
	Increase in the stock of finished goods (including traded goods)	(966,019)	(914,749)
	Total	**6,145,621**	**4,583,735**
	Personnel expenses		
	Salaries, Wages and Bonus	650,087	1,259,694
	Contribution for retirement benefits	49,599	96,220
	Contribution to National Insurance	79,826	163,579
	Childcare Voucher Scheme	2,975	6,671
	Staff Welfare Expenses	56,281	49,417
	Total	**838,768**	**1,575,581**

Average number of employees employed during the year -

Department	**Numbers**	**Numbers**
General Management	1	1
Sales and Business development	3	6
Regulatory	2	5
Office Administration	1	1
Supply Chain	2	1
HR and Finance	2	3

3	(LOSS) / PROFIT FROM OPERATIONS BEFORE INTEREST (Contd....)	Year ended March 31 2016	Year ended March 31 2015
		£	£
	Operating Expenses		
	Auditors remuneration - audit	12,150	11,750
	Auditors remuneration - Non audit	2,100	
	Books & Periodicals	1,835	1,330
	Repairs and Maintenance :		
	- Others	31,584	24,974
	Rates and Taxes	27,159	32,898
	Insurance	7,408	12,589
	Power and Fuel	2,083	3,233
	Selling and Promotion Expenses	247,913	422,877
	Freight and Forwarding	385,839	279,494
	Operating lease expense		
	- premises	78,195	101,745
	- equipment	-	673
	- vehicles	8,752	20,674
	Postage and Telephone Expenses	14,457	26,341
	Travelling and Conveyance	83,174	159,021
	Legal and Professional Charges	993,977	415,992
	Clinical and Analytical Charges	254,887	222,107
	Licence & Registrations	774,327	1,052,319
	Vehicle Expenses	-	-
	Exchange Loss	131,585	1,422
	Miscellaneous Expenses	112,312	234,581
	(Includes Printing and Stationery,Training expenses, Membership fees etc)		
	Depreciation	7,160	8,626
	Amortisation	27,996	27,996
	Total	**3,204,893**	**3,060,642**

		Year ended March 31 2016	Year ended March 31 2015
4	**Taxation**	£	£
	UK Corporation tax charge for the (Loss)/Profit for the year ended March 31 2016	-	23,500
	UK Corporation tax charge for the earlier period	(23,500)	5,144
	Movement in Deferred Tax (Refer note 17)		
		(23,500)	28,644

Factors affecting tax charge for the period -

The tax assessed for the period is higher than (2015 : is higher than) the standard rate of corporation tax in the UK at 20%(2015 : 21%). The differences are explained below -

	Year ended March 31 2016 £	Year ended March 31 2015 £
(Loss)/Profit on ordinary activities before tax	(1,331,962)	(315,517)
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	-	-
Effects of:		
Expenses not deductible for tax purposes		495
Other tax adjustments		23,005
Current tax charge for the period (see note above)	-	**23,500**

5A INTANGIBLE ASSETS

	Marketing Rights £
Cost	
Balance as at 31st March 2015	139,979
Additions	-
Balance as at 31st March 2016	139,979
Amortisation	
Balance as at 31st March 2015	49,380
Charge for the year	27,996
Balance as at 31st March 2016	77,376
Net Book Value	
As at 31st March 2015	90,599
As at 31st March 2016	62,603

5B PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment £	Furniture and Fixtures £	Other Equipment £	Total £
Cost				
Balance as at 31st March 2015	44,456	19,197	8,162	71,815
Acquisitions	2,958	-	-	2,958
Disposals	-	-	-	-
Balance as at 31st March 2016	47,414	19,197	8,162	74,773
Depreciation and impairment				
Balance as at 31st March 2015	28,558	6,259	1,342	36,159
Depreciation charge for the year	5,558	1,215	387	7,160
Disposals	-	-	-	-
Balance as at 31st March 2016	34,116	7,474	1,729	43,319
Net Book Value				
Balance as at 31st March 2015	15,898	12,938	6,820	35,656
Balance as at 31st March 2016	13,298	11,723	6,433	31,454

		Year ended March 31 2016 £	Year ended March 31 2015 £
6	**INVENTORIES**		
	The amount attributable to the different categories are as follows:		
	Finished Goods	3,392,333	2,426,314
	Total	**3,392,333**	**2,426,314**

At the year-end, the provision for obsolete stock amounts to £91,669 (2015: £ 233,523) and this amount was recognised as an expense. Inventory is written off due to the goods being damaged or expired.

		Year ended March 31 2016 £	Year ended March 31 2015 £
7	**TRADE AND OTHER RECEIVABLES**		
	Amount due from group undertakings	1,080,712	857,088
	Trade receivables	1,690,617	1,584,535
	Prepayments	291,868	485,576
	VAT	220,851	118,681
	Total	**3,284,048**	**3,045,880**
8	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	10,650	4,168
	Bank balances in current account	165,442	189,578
	Total	176,092	193,746
9	**SHARE CAPITAL**		
	Authorised		
	1,000,000 ordinary shares of £ 1 each	1,000,000	1,000,000
	Issued and fully paid		
	251,000 ordinary shares of £ 1 each	**251,000**	**251,000**
10	**TRADE AND OTHER PAYABLES**		
	Trade payables	162,422	450,628
	Accruals	143,214	251,959
	Total	305,636	702,587
11	**OTHER CREDITORS**		
	Less than one year		
	Amounts owed to group undertakings (net)	5,425,817	2,660,666
	Others	35,012	31,818
		5,460,829	2,692,484

12 RELATED PARTIES

The following companies and other entities are regarded as related parties:

Lupin Atlantis Holding SA, Switzerland **(Holding Company)**
Lupin Limited, India **(Ultimate Holding Company)**
Hormosan Pharama Gmbh, Germany **(Fellow Subsidiary)**
Lupin Holdings B.V., Netherlands **(Fellow Subsidiary)**

List of companies where Lupin (Europe) Limited Directors also hold Directorship

Lupin Australia Pty Ltd., Australia
Generic Health Pty Ltd., Australia
Synchem Properties Pvt. Ltd.
Lupin Healthcare Ltd.
Lupin Philippines, Inc., Philippines
Generic Health Sdn. Bhd., Malaysia
Crop Tech Chemicals (India) Pvt. Ltd.,
Novamed Investments Pvt. Ltd.,
Lupin Properties Ltd.
Rahas Mercantile Pvt. Ltd.
Multicare Pharmaceuticals Philippines Inc., Philippines
Pharma Dynamics (Proprietary) Limited, South Africa
Lupin Pharma LLC, Russia
Polynova Industry Limited, India
Synchem Investments Pvt. Ltd.
Zyma Laboratories Ltd.
Visiomed Investments Pvt. Ltd.
Lupin Holdings Pvt. Ltd.
Lupin Investments Pvt. Ltd.
Lupin International Pvt. Ltd.
Rahas Investments Pvt. Ltd.

The company entered into the following transactions with related parties:

	Lupin Limited	Lupin Atlantis Holdings SA	Others
	£	£	£
Purchase of Traded Goods	6,794,561		
Sales of Goods			1,990
Marketing/ Management services provided and reimbursed	1,856,720		
Services received from Lupin Atlantis Holdings SA		271,918	
Services received from Lupin Ltd	117,356		
Amount paid on behalf of and reimbursed by Hormosan			15,296
Amount paid on behalf of and reimbursed by Lupin Ltd	76,494		-
Amount paid on behalf of and reimbursed by Lupin Atlantis Holdings SA		19,291	
Interest on Long Term Loan			86,820
Amount owing to related party	5,211,987	213,830	4,163,697
Amount due from related party	1,076,029		4,682

13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risk arising from the company's financial instruments are credit risk, liquidity risk and market risk.

In assessing risk the company classifies financial assets and liabilities as follows:

Assets	**Loans and receivables**	**Non-financial assets**	**Total**
	£	**£**	**£**
Trade and other receivables	3,284,048	-	3,284,048
Cash and cash equivalents	176,092	-	176,092
Total	**3,460,140**	**-**	**3,460,140**

Liabilities	**At amortised cost**	**Non-financial Liabilities**	**Total**
	£	**£**	**£**
Trade and other payables	5,623,251	143,214	5,766,465
Total	**5,623,251**	**143,214**	**5,766,465**

13.1 Credit risk

Credit risk arises on cash and cash equivalents with banks and financial institutions, as well as credit exposures to customers.

The company trades only with recognised, creditworthy third parties. All customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the conclusion that the company's exposure to bad debt is not significant.

13.2 Liquidity Risk

The company's approach to liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the company's reputation.

The table below details the company's expected maturity for its financial liabilities. The amounts are based on the undiscounted contractual maturities of the financial liabilities i.e. gross cash flows that are exchanged.

	On demand £	Less than 1 month £	1 to 3 months £	3 months to 1 year £
Non-interest bearing liabilities				
- trade payables	1,541,926	569,728	2,039,146	1,437,438
(Previous Year : 2015)	1,005,043	-	516,238	1,590,013

13.3 Market risk

Market prices comprise three types of risk: Interest rate risk, currency risk and other price risk, such as equity risk.

Foreign currency risk management

The company undertakes certain transactions in foreign currencies and hence exposure to exchange rate fluctuations arises. The sensitivity to foreign exchange rates is monitored through review of the impact on profit. The company believes that the risk arising out of foreign exchange rate fluctuations is not significant at March 31 2016.

13.4 Capital risk management

The company manages its capital to ensure that the company will be able to continue to operate as a going concern while maximising the return to the stakeholders.

The directors meet regularly to review the capital structure. As part of this review the directors consider the availability of funding within the group to fund the company's capital requirements. The directors also consider the cost of capital and the risks associated with each class of capital.

14 OPERATING LEASE COMMITMENTS

The company has entered into commercial leases on certain office premises, cars and equipment. These leases have an average life of less than 5 years. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31 2016 £	March 31 2015 £
Within one -year	26,468	59,590
After one-year but not more than five years	91,546	-
Total	**118,015**	**59,590**

		March 31 2016	March 31 2015
		£	£
15	**NOTES TO THE CASH FLOW STATEMENTS**		
	Cash generated from Operations		
	Reconciliation of (Loss) / Profit before taxation to cash generated from operations		
	(Loss) / Profit before taxation	(1,331,962)	(315,517)
	Adjusted for :		
	Depreciation	7,160	8,626
	Amortisation	27,996	27,996
	Revaluation of long term loan	114,903	-
	Interest Paid	83,069	9,864
	Operating (Loss) / Profit before working capital changes	**(1,098,834)**	**(269,031)**

		Year ended March 31 2016	Year ended March 31 2015
16	**DIRECTOR'S REMUNERATION**	£	£
	Gross Salary and allowances	78,111	140,679
	Contribution to pensions and other funds	5,599	7,446
	Perquisites	6,956	2,061
	Total	**90,665**	**150,186**

During the period there were retirement benefits accruing under a money purchase pension scheme to 1 director (2015: 1)

17 **Deferred tax asset**

At the balance sheet date, the Company had unused tax losses of Nil (2015: Nil)