

WOCKHARDT UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

WOCKHARDT UK LIMITED

CONTENTS

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 9
Profit and Loss Account	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 23

WOCKHARDT UK LIMITED

COMPANY INFORMATION

Directors R K Limaye
A Sahni
K J Downey
A Fernandes

Company secretary J Wainwright

Registered office Ash Road North
Wrexham Industrial Estate
Wrexham
LL13 9UF

Bankers National Westminster Bank PLC
33 Lord Street
Wrexham
LL11 1LP

Auditors Menzies LLP
Chartered Accountants & Statutory Auditor
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

WOCKHARDT UK LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024**

The directors present their strategic report for the year ended 31 March 2024.

Principal activity

The principal activity of the company is the sale and distribution of pharmaceutical products and related services.

Fair review of the business

The Company has faced a challenging year, due to the ongoing impact of COVID and NHS strikes on NHS waiting lists, hospitals have delayed operations or even issuing appointments for other than the seriously ill. Many GP practices have adopted the same principles. This has resulted in a slower uptake than was expected for some of our product range. Sales remained at £63m, Profits before tax in the year have decreased from £1.2m to £1m, a decrease of 18%.

The company is confident that, although the majority of restrictions have been removed the backlog of patients and operations is a priority concern of the Government and is being addressed, therefore the Financial Year 2024/25 is forecast to result in a further recovery towards the levels of Pre-COVID.

The company has taken adequate measures to mitigate potential Warehousing and Inventory losses in relation to storage of the pharmaceutical products and introduced a Bar-Coding stock system in March 2020, which has reduced further the already small number of discrepancies that occurred previously.

The company's payment policy in connection with supplies is aligned with realisations from customers resulting in a low working capital requirement for the business.

The company expects that with full availability of stocks from its suppliers and the launch of new products, in particular the continuing growth of a range of Branded Generic products, and the reduction of NHS waiting lists, that it will achieve increased sales this coming Financial Year 2024/25 and looks forward to a bright future following the challenges of recent years.

The directors have great confidence in the strong growth prospects of the company.

The net worth of the company has increased from £17.8m to £18.6m, a reasonable 4% growth, given the difficulties encountered during the year for many companies.

The Company continues to provide opportunities to its employees for training and advancement in order to retain talent, Employee Attrition rate was 16%.

As a business we endeavour to support our employees in their development. At any point in time we have a varying number of apprentices in employment, where we combine practical 'on the job' training with study, in partnership with local colleges, with a qualification at the end of it. We also support employees in their studies to obtain qualifications relevant to their role i.e. CIMA, CIPD, Qualified Person.

The company continues to support the environment by proactively promoting both waste recycling and reduction of waste wherever possible and has been able to maintain a similar levels to previous years.

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2024	2023
Turnover	£000	63,875	62,667
Gross Profit Ratio	%	15	15
Operating Profit Ratio	%	2	2
Profit Before Tax	£000	1,018	1,243
Gross Profit/Operating Costs	times	1	1
Net Current Assets	£000	18,086	17,162
Net Worth	£000	18,561	17,798
Training days	Days	166	158
Tonnes Carbon Emissions*	Tonnes	121	126
Employee Attrition	%	16	17
Creditor Days	Days	76	80

WOCKHARDT UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

The company has continued to efficiently manage its resources and maintain strong relationships with its customers and suppliers. Stock availability issues, particularly with critical lines, have highlighted the risks of single sourcing products. This is continuously reviewed to obtain alternative sourcing of critical products, whenever appropriate, in order to safeguard stock availability in the future. The directors are confident that the continuing growth prospects of the company, due to the launch of new products in 2024/25 and growing market share of existing products wherever possible will result in increased turnover and profits providing the company the ability to grow even further.

A key risk to the pharmaceutical sector is price competition from other manufacturers and distributors due to the low barriers of entry for new generic companies. The company manages this risk by actively evaluating portfolio performance and reviewing competitor portfolios with a view of maintaining competitive pricing strategies.

The directors have considered the risks facing the company and continually address these to minimise any future impact.

Company employees

The company's policy is to consult and discuss with employees, through unions and at staff meetings, matters likely to affect employees' interests. Information on matters of concern to employees is given through briefings reports and annual presentations. These seek to achieve a common awareness of the financial and economic factors affecting the company's performance.

The company is committed to a policy of treating all its employees and job applicants equally. None shall receive less favourable treatment or consideration on the grounds of race, colour, religion, nationality, ethnic origin, sex, disability, sexual orientation or marital status or shall be disadvantaged by any conditions of employment that cannot be justified as necessary on operational grounds.

The company's equal opportunity policy covers employment of disabled persons. Full and fair consideration is given to all applications for employment by the company. Continued employment is encouraged for employees becoming disabled during service through training, adaptation of work practices and flexible working hours.

The company is in full compliance of statutory legislation with regard to all of the above.

Directors' statement of compliance with duty to promote the success of the Company

The Directors have complied with the requirements of S172 of the Companies Act 2006.

This has been a year of business as usual in a challenging environment dominated by the continued impact from NHS strikes and backlog of patients waiting for appointments and operations.

The Company provides 'Wockhardt Engage' an interactive digital communication and engagement platform that can easily reach all employees. Serving also as an intranet, it facilitates communication and feedback across the business. Wockhardt Engage also acts as a platform for our recognition programme which celebrates achievement and facilitates peer to peer recognition. There are lots of other ways we recognise our teams with various small 'thank yous' throughout the year.

The Directors conduct business with suppliers, customers and other stakeholders in line with the Wockhardt UK Limited Code of Conduct, as reflected in our Anti-Corruption, Bribery and Modern Slavery Policy, ensuring that Wockhardt UK Limited maintains the highest reputation for standards of conduct.

With regards to impact on the community and environment, Wockhardt UK Limited mission is embodied in the following statement "We believe that by investing in our people we can always be confident that the needs of our customers are met. Therefore, our mission is to offer an enriching environment for professional and personal growth for every employee with an open, participative culture that permeates each level of the organisation".

15-Aug-24

Approved by the Board on and signed on its behalf by:

DocuSigned by:

.....6BDDGF7AFB30493.....
R K Limaye
Director

WOCKHARDT UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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

Directors of the company

The directors who held office during the year were as follows:

R K Limaye

A Sahni

S Baru (appointed 14 August 2023 and resigned 31 March 2024)

The following directors were appointed after the year end:

K J Downey (appointed 1 May 2024)

A Fernandes (appointed 1 April 2024)

Directors' liabilities

A qualifying third party indemnity provision was in force for one or more of the directors of the company.

Dividends

The directors do not recommend the payment of a dividend.

Future developments

Our strategy is to improve our product range by investing in new products.

Environmental matters - streamlined energy and carbon reporting

In accordance with the requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 the Directors would like to disclose the following information for the year ended 31 March 2024.

Carbon emissions plus intensity ratio (as per regulations)

	2024	2024	2023	2023
	'000 kWh	tonnes CO2e	'000 kWh	tonnes CO2e
Scope 1 (direct emissions) - natural gas	425	79	447	82
Scope 2 (indirect emissions) - electricity	221	43	230	44
		2024		2023
Intensity metric		tonnes CO2e/£m		tonnes CO2e/£m
Scope 1 and 2 emissions/ sales revenue		2		2

Methodologies used within the calculation

The Company has used the actual KWH data from the monthly invoices it receives and then applied the "Government conversion factors for company reporting" to calculate the CO2e content.

Energy efficient action taken this year

The company continues to upgrade the old lighting systems with energy saving LED lighting that will not only reduce operating costs but also extend the useful life of the lights.

Employee Involvement

The Company believes that employees are one of the most important elements of a successful business and set out in the Strategic report how engagement with employees takes place.

Engagement with suppliers, customers and others

The Company values highly the relationship it has with both its Suppliers and Customers and undertakes regular interaction to balance the needs of the Company with the Suppliers/Customer needs. In particular, Long-Term Supply Contracts, Payment Terms acceptable to both parties, Requirement information well in advance of needs.

WOCKHARDT UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

Information included in the Strategic Report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report, the information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes certain information that would have been included in the business review, details of principal risks and uncertainties and how engagement with employees takes place.

Post balance sheet events

The company provided a guarantee against a £4,000,000 term loan facility and a £2,000,000 capex facility by its fellow subsidiary C P Pharmaceuticals Limited.

Disclosure of information to the auditors


Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditor, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

15-Aug-24

Approved by the Board on and signed on its behalf by:

DocuSigned by:

.....
R K Limaye
Director

WOCKHARDT UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; 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.

WOCKHARDT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOCKHARDT UK LIMITED (TO BE PROVIDED)

Opinion

We have audited the financial statements of Wockhardt UK Limited (the 'company') for the year ended 31 March 2024, which comprise the Profit and Loss Account, Balance Sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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:

WOCKHARDT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOCKHARDT UK LIMITED (TO BE PROVIDED)

- 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 Statement of Directors' Responsibilities set out on page 6, 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the laws and regulations that are applicable to the Company, focusing on those laws and regulations that directly affect the financial statements, such as provisions of the UK Companies Act, pensions legislation and tax legislation or that had a fundamental effect on the operations of the Company, including compliance with employment law. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the engagement team included:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

• As a result of the above procedure, we considered the probabilities that may exist within the organisation for fraud and identified the following areas:

- timing of revenue recognition;
- posting of journal transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to be come aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

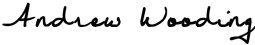
WOCKHARDT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOCKHARDT UK LIMITED (TO BE PROVIDED)

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this 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.

DocuSigned by:

.....86D342A9E0844D4.....
Andrew Wooding FCA (Senior Statutory Auditor)
For and on behalf of Menzies LLP, Statutory Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

20-Aug-24
Date:.....

WOCKHARDT UK LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £ 000	2023 £ 000
Turnover	3	63,875	62,667
Cost of sales		<u>(54,050)</u>	<u>(53,355)</u>
Gross profit		9,825	9,312
Distribution costs		(4,407)	(4,435)
Administrative expenses		<u>(4,046)</u>	<u>(3,590)</u>
Operating profit	4	1,372	1,287
Interest payable and similar charges	5	<u>(354)</u>	<u>(44)</u>
Profit before tax		1,018	1,243
Taxation	9	<u>(255)</u>	<u>(225)</u>
Profit for the financial year		<u><u>763</u></u>	<u><u>1,018</u></u>

The above results were derived from continuing operations.

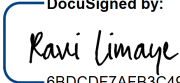
The company has no other comprehensive income for the year.

WOCKHARDT UK LIMITED**(REGISTRATION NUMBER: 05835570)
BALANCE SHEET AS AT 31 MARCH 2024**

	Note	2024 £ 000	2023 £ 000
Fixed assets			
Tangible assets	10	<u>510</u>	<u>684</u>
Current assets			
Stocks	11	16,090	13,756
Debtors	12	10,923	12,634
Cash at bank and in hand	13	<u>2,569</u>	<u>873</u>
		29,582	27,263
Creditors: Amounts falling due within one year	14	<u>(11,496)</u>	<u>(10,101)</u>
Net current assets		<u>18,086</u>	<u>17,162</u>
Total assets less current liabilities		18,596	17,846
Provisions for liabilities	9	<u>(35)</u>	<u>(48)</u>
Net assets		<u><u>18,561</u></u>	<u><u>17,798</u></u>
Capital and reserves			
Called up share capital	16	50	50
Profit and loss account	17	<u>18,511</u>	<u>17,748</u>
Total equity		<u><u>18,561</u></u>	<u><u>17,798</u></u>

15-Aug-24

Approved and authorised by the Board on and signed on its behalf by:

DocuSigned by:

6BDCDFZAFB3C493.....

R K Limaye
 Director

WOCKHARDT UK LIMITED

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

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2023	50	17,748	17,798
Profit for the year and other comprehensive income	-	763	763
At 31 March 2024	<u>50</u>	<u>18,511</u>	<u>18,561</u>

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2022	50	16,730	16,780
Profit for the year and other comprehensive income	-	1,018	1,018
At 31 March 2023	<u>50</u>	<u>17,748</u>	<u>17,798</u>

The notes on pages 13 to 23 form an integral part of these financial statements.

WOCKHARDT UK LIMITED

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

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ash Road North
Wrexham Industrial Estate
Wrexham
LL13 9UF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest thousand Pounds.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Wockhardt Limited which can be obtained from Wockhardt Limited, Wockhardt Towers, Bandra Kurla Complex, (Bandra East), Mumbai 400051, Maharashtra, India. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Turnover

In the recognition of revenue in accordance with the accounting policy, management consider the detailed criteria for the revenue recognition from the sale of goods and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods.

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024*****Key sources of estimation uncertainty***

Accounting estimates and assumptions are made concerning the future end, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Turnover (sales rebates and discounts)

The Company's turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims some time after the initial recognition of the sale. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information and historical experience.

Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change dependent upon, amongst other things, the types of buying group and product sales mix. The level of accrual for rebates and returns is reviewed and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and internally generated information.

Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Company.

Impairment of stocks and trade debtors

The management include impairment provisions for any potential obsolete stock or irrecoverable trade debtors which are estimated based on the age of the stock or trade debtors and provide fully against any known irrecoverable amounts.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, after the deduction of discounts and allowances given and accruals for estimated future rebates and returns. Turnover is recognised on despatch of product. Value added tax is excluded from turnover.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	4-10 years straight line
Fixtures and fittings	4-8 years straight line
Computer equipment	2-5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Depreciation commences from the date that the asset is brought into use.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Stock is turned around on a first in first out basis whilst the cost of stock is valued at moving weighted average price. Where necessary, provision is made for obsolete, slow moving and defective stocks.

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****Trade creditors**

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

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 as a finance cost in profit or loss in the period in which it arises.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2024	2023
	£ 000	£ 000
Sale of goods	<u>63,875</u>	<u>62,667</u>

The analysis of the company's turnover for the year by market is as follows:

	2024	2023
	£ 000	£ 000
UK	63,842	62,636
Europe	<u>33</u>	<u>31</u>
	<u>63,875</u>	<u>62,667</u>

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****4 Operating profit**

Arrived at after charging:

	2024	2023
	£ 000	£ 000
Foreign exchange losses	22	30
Other operating lease rentals	464	454
	<u>464</u>	<u>454</u>

5 Interest payable and similar expenses

	2024	2023
	£ 000	£ 000
Interest on bank overdrafts and borrowings	191	44
Other interest payable	163	-
	<u>354</u>	<u>44</u>

6 Auditors' remuneration

	2024	2023
	£ 000	£ 000
Audit of the financial statements	43	42
Other fees to auditors		
Audit-related assurance services	31	34
Taxation compliance services	-	1
	<u>31</u>	<u>35</u>

WOCKHARDT UK LIMITED

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

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024	2023
	£ 000	£ 000
Wages and salaries	2,762	2,569
Social security costs	284	290
Pension costs, defined contribution scheme	204	178
	<u>3,250</u>	<u>3,037</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2024	2023
	No.	No.
Distribution	38	42
Administration and support	19	21
	<u>57</u>	<u>63</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2024	2023
	£ 000	£ 000
Remuneration	<u>15</u>	<u>15</u>

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****9 Taxation**

Tax charged/(credited) in the profit and loss account

	2024	2023
	£ 000	£ 000
Current taxation		
UK corporation tax charge	268	185
Deferred taxation		
Arising from origination and reversal of timing differences	(13)	55
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	(15)
Total deferred taxation	<u>(13)</u>	<u>40</u>
Tax expense in the income statement	<u>255</u>	<u>225</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2023 - higher than the standard rate of corporation tax in the UK) of 25% (2023 - 19%).

The differences are reconciled below:

	2024	2023
	£ 000	£ 000
Profit before tax	<u>1,018</u>	<u>1,243</u>
Corporation tax at standard rate	255	236
Effect of expense not deductible in determining taxable profit (tax loss)	-	1
Tax decrease from effect of capital allowances and depreciation	-	(10)
Other tax adjustments	-	(2)
Total tax charge	<u>255</u>	<u>225</u>

WOCKHARDT UK LIMITED

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

Deferred tax

Deferred tax assets and liabilities

	Liability £ 000
2024	
Accelerated capital allowances	39
Other timing differences	(4)
	<u>35</u>
	<u>35</u>
2023	
Accelerated capital allowances	51
Other timing differences	(3)
	<u>48</u>
	<u>48</u>
	Deferred tax £ 000
At 1 April 2023	48
Provisions used	(13)
	<u>35</u>
At 31 March 2024	<u>35</u>

There were no factors that may affect future tax charges.

The company does not anticipate that a material amount of deferred tax asset will reverse in the following year.

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****10 Tangible assets**

	Plant and machinery £ 000	Fixtures and fittings £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 April 2023	1,483	264	168	1,915
Disposals	(47)	-	-	(47)
At 31 March 2024	<u>1,436</u>	<u>264</u>	<u>168</u>	<u>1,868</u>
Depreciation				
At 1 April 2023	910	227	94	1,231
Charge for the year	80	19	28	127
At 31 March 2024	<u>990</u>	<u>246</u>	<u>122</u>	<u>1,358</u>
Carrying amount				
At 31 March 2024	<u>446</u>	<u>18</u>	<u>46</u>	<u>510</u>
At 31 March 2023	<u>573</u>	<u>37</u>	<u>74</u>	<u>684</u>

11 Stocks

	2024 £ 000	2023 £ 000
Finished goods and goods for resale	<u>16,090</u>	<u>13,756</u>

12 Debtors

	2024 £ 000	2023 £ 000
Trade debtors	4,158	5,318
Amounts owed by group undertakings	5,231	5,407
Other debtors	1,151	1,288
Prepayments and accrued income	383	621
	<u>10,923</u>	<u>12,634</u>

13 Cash and cash equivalents

	2024 £ 000	2023 £ 000
Cash at bank	<u>2,569</u>	<u>873</u>

The Company entered into a Group of Accounts facility agreement with other companies in its group where credit and debit balances in each participating company across the facility are grouped together to calculate the total drawn under the facility. Each participating company has provided a guarantee to the bank that it is authorised to allow set-off for purpose of calculating interest. The Company along with other participating companies has provided a guarantee and the facility is secured over the assets of the company.

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****14 Creditors**

	2024	2023
	£ 000	£ 000
Due within one year		
Trade creditors	1,509	1,955
Amounts owed to group undertakings	670	5,773
Social security and other taxes	84	296
Other creditors	7,902	1,541
Accrued expenses and deferred income	1,331	536
	<u>11,496</u>	<u>10,101</u>

The amounts owed under invoice and inventory discounting arrangements of £7,877,000 (2023 - £1,516,000), included within other creditors within one year above, are secured against the company's trade debtors and inventory.

15 Pension and other schemes**Defined contribution plans**

During the period, the Company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £204k (2023 - £178k). The outstanding pension creditor at 31 March 2024 of £26k (2023 - £25k) is shown within other creditors.

16 Share capital**Allotted, called up and fully paid shares**

	2024		2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>

17 Reserves**Profit and loss account**

This reserve records retained earnings and accumulated losses.

WOCKHARDT UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****18 Obligations under leases and hire purchase contracts****Operating leases**

The total of future minimum lease payments is as follows:

	2024	2023
	£ 000	£ 000
Not later than one year	425	441
Later than one year and not later than five years	1,576	1,582
Later than five years	876	1,262
	<u>2,877</u>	<u>3,285</u>

19 Related party transactions

The company is exempt under FRS102 paragraph 33.1A from disclosing related party transactions with entities that are part of the Wockhardt Bio AG group. Transactions and balances with other group companies within the Wockhardt Limited group are as follows:

As at 31 March 2024, the balance receivable from Wockhardt Limited by Wockhardt UK Limited was £841k (2023 - £841k) and the balance payable to Wockhardt Limited by Wockhardt UK Limited was £339k (2023 - £258k).

During the year, Wockhardt Limited made recharges of £81k (2023 - £97k) to Wockhardt UK Limited and received recharges of £nil (2023 - £330k) from Wockhardt UK Limited.

20 Post balance sheet events

The company provided a guarantee against a £4,000,000 term loan facility and a £2,000,000 capex facility by its fellow subsidiary C P Pharmaceuticals Limited.

21 Parent and ultimate parent undertaking

The company's immediate parent is Wockhardt Bio AG, a company incorporated in Switzerland. The results of the Company are included in the Wockhardt Bio AG consolidated financial statements, and this is the smallest group for which the group accounts are drawn up. Group accounts are available to the public and can be obtained from:

Wockhardt Bio AG
Grafenauweg 6
6300 Zug
Switzerland

www.wockhardtbio.com/media/news.html

The ultimate parent is Wockhardt Limited, a company incorporated in India. The results of the Company are included in the Wockhardt Limited consolidated financial statements, and this is the largest group for which group accounts are drawn up. Group accounts are available to the public and can be obtained from:

Wockhardt Limited
Wockhardt Towers
Bandra Kurla Complex, Bandra (East)
Mumbai 400051
Maharashtra, India

www.wockhardt.com/investor-connect/annual-reports.aspx

The ultimate controlling party is H F Khorakiwala and family. H F Khorakiwala is chairman of Wockhardt Limited.