

Parent company accounts for
TENOLOL LIMITED
(Company No: 03712195)

REGISTERED NUMBER: 05090163 (England and Wales)

Group Strategic Report, Report of the Director and
Consolidated Financial Statements for the Year Ended 31 March 2019
for
3VS UK Limited

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3VS UK Limited (Registered number: 05090163)

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for the Year Ended 31 March 2019**

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3VS UK Limited

Company Information
for the Year Ended 31 March 2019

DIRECTOR:	A Shah
REGISTERED OFFICE:	Hansons 39a Joel Street Northwood Hills Middlesex HA1 1XD
REGISTERED NUMBER:	05090163 (England and Wales)
AUDITORS:	Avin Accountants Chartered Certified Accountants and Statutory Auditors 78 Queens Road Watford Hertfordshire WD17 2LA
ACCOUNTANT:	Hansons Chartered Certified Accountants 39a Joel Street Northwood Hills Middlesex HA1 1XD

3VS UK Limited (Registered number: 05090163)

Group Strategic Report
for the Year Ended 31 March 2019

The director presents his strategic report of the company and the group for the year ended 31 March 2019.

REVIEW OF BUSINESS

The core business of the group continues to be the provision of wholesale and distribution of pharmaceutical products. From initially supplying pharmaceutical products, the group now has divisions spanning Labelling of goods for other suppliers and Research and development sector.

Further, company aim to develop and licence products from R&D in specialist areas. The company currently sells mainly in the United Kingdom but also exports to the European Union and International Market.

The 3VS UK group continues to specialism in the provision of wholesale and distributions services across various markets.

During the year under review, group turnover increased to £61,215,980 (2018: £59,611,119). the group recorded an operating profit of £5,350,392 (2018: £6,585,324) and is in line with expectations.

The group operates in a challenging and competitive environment and continues to invest in research and development to enable application of product licences and systems.

PRINCIPAL RISKS AND UNCERTAINTIES

Regulatory risks

The group companies have to comply with various UK legislation and law and failure to comply could materially affect the company's ability to operate. There may be a significant increase in regulatory costs for the Parallel Import at the end of the Brexit transitional period which would lead to a significant contraction in that business. Generic business can be affected if there is regulatory action on key products. The company relies on other companies, which are also subject to regulatory risks, for key raw materials and manufacture of the generic products.

Exchange rate variances

Exchange rate fluctuations can significantly affect the profitability of the parallel import business, where margins are low and competition is high.

Competitive risks

It is difficult to plan with a high lead time for the generic products and volatile supply and demand. Products have a limited shelf life and it could result in selling some products at a loss or not being able to sell at all. The company relies on a small number of customers and suppliers and the generic portfolio is still relatively small, so the risks are concentrated.

FUTURE DEVELOPMENTS

The group companies will continue to operate to the best of its abilities in a highly regulated environment. The director remains confident of the company's ability to manage the significant risks.

ON BEHALF OF THE BOARD:



A Shah - Director

30 September 2020

3VS UK Limited (Registered number: 05090163)

**Report of the Director
for the Year Ended 31 March 2019**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

RESEARCH AND DEVELOPMENT

In general, research and development expenditure is charged to the income statement in the year in which it occurred. However, under certain conditions development expenditure is capitalised as an intangible asset.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

A Shah held office during the whole of the period from 1 April 2018 to the date of this report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group operates in the pharmaceutical wholesale market, which by its nature is a potentially volatile environment. Market changes, government regulations, suppliers behaviour, exchange rate movements and stock expiry dates mean there is always a possibility of either over or under supply of products in the immediate term. The business is organised to maintain a close awareness of these factors and to take immediate action to minimise the product risks where necessary.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

3VS UK Limited (Registered number: 05090163)

Report of the Director
for the Year Ended 31 March 2019

AUDITORS

The auditors, Avin Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line.

A Shah - Director

30 September 2020

**Report of the Independent Auditors to the Members of
3VS UK Limited**

Opinion

We have audited the financial statements of 3VS UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 March 2019 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**Report of the Independent Auditors to the Members of
3VS UK Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.



Vinodkumar Valand (Senior Statutory Auditor)
for and on behalf of Avin Accountants
Chartered Certified Accountants
and Statutory Auditors
78 Queens Road
Watford
Hertfordshire
WD17 2LA

30 September 2020

3VS UK Limited (Registered number: 05090163)

Consolidated Income Statement
for the Year Ended 31 March 2019

	Notes	31.3.19 £	£	31.3.18 £	£
TURNOVER	3		61,215,980		59,611,119
Cost of sales			54,917,221		50,434,911
GROSS PROFIT			6,298,759		9,176,208
Administrative expenses			951,017		2,699,030
			5,347,742		6,477,178
Other operating income			2,650		108,146
OPERATING PROFIT	5		5,350,392		6,585,324
Income from fixed asset investments		-		2,160	
Interest receivable and similar income		34,277		7,030	
			34,277		9,190
			5,384,669		6,594,514
Gain/loss on revaluation of investments			238,030		16,162
			5,622,699		6,610,676
Interest payable and similar expenses	8		174		225
PROFIT BEFORE TAXATION			5,622,525		6,610,451
Tax on profit	9		306,647		764,465
PROFIT FOR THE FINANCIAL YEAR			5,315,878		5,845,986
Profit attributable to:					
Owners of the parent			5,315,878		5,845,986

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2019

	Notes	31.3.19 £	31.3.18 £
PROFIT FOR THE YEAR		5,315,878	5,845,986
OTHER COMPREHENSIVE INCOME			
Gain/loss on revaluation of investments		-	(16,162)
Income tax relating to other comprehensive income		-	-
		<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	(16,162)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,315,878</u>	<u>5,829,824</u>
Total comprehensive income attributable to: Owners of the parent		<u>5,315,878</u>	<u>5,829,824</u>

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)**Consolidated Balance Sheet**
31 March 2019

	Notes	31.3.19 £	£	31.3.18 £	£
FIXED ASSETS					
Tangible assets	11		106,514		132,924
Investments	12		1,203,188		965,157
			<u>1,309,702</u>		<u>1,098,081</u>
CURRENT ASSETS					
Stocks	13	6,516,595		5,793,556	
Debtors	14	17,908,014		21,567,582	
Cash at bank and in hand		7,874,497		7,267,474	
		<u>32,299,106</u>		<u>34,628,612</u>	
CREDITORS					
Amounts falling due within one year	15	7,848,548		13,277,578	
			<u>24,450,558</u>		<u>21,351,034</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>25,760,260</u>		<u>22,449,115</u>
CREDITORS					
Amounts falling due after more than one year	16		(54,644)		(59,377)
PROVISIONS FOR LIABILITIES					
	17		(14,300,000)		(16,300,000)
NET ASSETS					
			<u>11,405,616</u>		<u>6,089,738</u>
CAPITAL AND RESERVES					
Called up share capital	18		100		100
Reserve on consolidation	19		7,299,991		7,299,991
Retained earnings	19		4,105,525		(1,210,353)
SHAREHOLDERS' FUNDS					
			<u>11,405,616</u>		<u>6,089,738</u>

The financial statements were approved by the director and authorised for issue on 30 September 2020 and were signed by:



A Shah - Director

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)

Company Balance Sheet

31 March 2019

	Notes	31.3.19 £	£	31.3.18 £	£
FIXED ASSETS					
Tangible assets	11		-		-
Investments	12		200,004		200,004
			<u>200,004</u>		<u>200,004</u>
CURRENT ASSETS					
Debtors	14	13,192,890		11,418,890	
Cash at bank		975		46	
		<u>13,193,865</u>		<u>11,418,936</u>	
CREDITORS					
Amounts falling due within one year	15	28,374		22,723	
		<u>28,374</u>		<u>22,723</u>	
NET CURRENT ASSETS			<u>13,165,491</u>		<u>11,396,213</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,365,495</u>		<u>11,596,217</u>
CAPITAL AND RESERVES					
Called up share capital	18		100		100
Retained earnings			<u>13,365,395</u>		<u>11,596,117</u>
SHAREHOLDERS' FUNDS			<u>13,365,495</u>		<u>11,596,217</u>
Company's profit for the financial year			<u>1,769,278</u>		<u>11,310,734</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 30 September 2020 and were signed by:



A Shah - Director

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Reserve on consolidation £	Total equity £
Balance at 1 April 2017	100	(7,056,339)	7,299,991	243.752
Changes in equity				
Total comprehensive income	-	5,845,986	-	5,845,986
Balance at 31 March 2018	100	(1,210,353)	7,299,991	6,089,738
Changes in equity				
Total comprehensive income	-	5,315,878	-	5,315,878
Balance at 31 March 2019	100	4,105,525	7,299,991	11,405,616

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)

Company Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	100	285,383	285,483
Changes in equity			
Total comprehensive income	-	11,310,734	11,310,734
Balance at 31 March 2018	<u>100</u>	<u>11,596,117</u>	<u>11,596,217</u>
Changes in equity			
Total comprehensive income	-	1,769,278	1,769,278
Balance at 31 March 2019	<u>100</u>	<u>13,365,395</u>	<u>13,365,495</u>

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)

Consolidated Cash Flow Statement
for the Year Ended 31 March 2019

	Notes	31.3.19 £	31.3.18 £
Cash flows from operating activities			
Cash generated from operations	1	1,162,111	3,167,997
Interest paid		(174)	(225)
Tax paid		(529,204)	(294,856)
Net cash from operating activities		<u>632,733</u>	<u>2,872,916</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(166)	(2,185)
Purchase of fixed asset investments		(238,031)	(16,161)
Interest received		34,277	7,030
Dividends received		-	2,160
Net cash from investing activities		<u>(203,920)</u>	<u>(9,156)</u>
Cash flows from financing activities			
Amount introduced by directors		178,210	481,239
Amount withdrawn by directors		-	(6,192)
Net cash from financing activities		<u>178,210</u>	<u>475,047</u>
Increase in cash and cash equivalents		<u>607,023</u>	<u>3,338,807</u>
Cash and cash equivalents at beginning of year	2	7,267,474	3,928,667
Cash and cash equivalents at end of year	2	<u><u>7,874,497</u></u>	<u><u>7,267,474</u></u>

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.19	31.3.18
	£	£
Profit before taxation	5,622,525	6,610,451
Depreciation charges	26,576	23,452
Gain on revaluation of fixed assets	(238,030)	(16,162)
Finance costs	174	225
Finance income	(34,277)	(9,190)
	<hr/>	<hr/>
(Increase)/decrease in stocks	5,376,968	6,608,776
Decrease in trade and other debtors	(723,039)	3,086,716
Decrease in trade and other creditors	3,730,036	2,187,286
	<hr/>	<hr/>
Cash generated from operations	1,162,111	3,167,997
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	7,874,497	7,267,474
	<hr/>	<hr/>

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	7,267,474	4,061,571
Bank overdrafts	-	(132,904)
	<hr/>	<hr/>
	7,267,474	3,928,667
	<hr/>	<hr/>

The notes form part of these financial statements

3VS UK Limited (Registered number: 05090163)

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2019**

1. STATUTORY INFORMATION

3VS UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The company is a non-trading parent of companies listed in note 12. The results of these subsidiaries have not been included in the consolidated financial statements of 3VS UK Limited.

Turnover

Turnover represents the total invoice value of sales made during the year after deduction of value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follow:

Leasehold properties	- Straight line over the life of the lease
Fixture, fittings and equipment	- 10 to 20% straight line
Motor vehicles	- 20% straight line

Stocks

Stock is valued at the lower of cost and net realisable value after allowing for obsolete, slow moving or defective items where appropriate.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

In general, research and development expenditure is charged to the income statement in the year in which it occurred. However, under certain conditions development expenditure is capitalised as an intangible asset.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

These financial statements are prepared on the going concern basis. In recent week COVID-19 has been dominating the world social and economic climate. The company continues to operate in an environment of uncertainty associated with the current situation. The directors have assessed the impact of the current government measures to combat COVID-19 on the company's ability to continue trading for the foreseeable future. They have concluded that because of their own resources and governmental support offered to companies, there are reasonable prospects for the company being able to continue as a going concern. The directors are continuously monitoring the situation and recognise that uncertainties exist that may impact significantly on future performance and challenge the applicability of the going concern basis.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in associates are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Interest and dividends receivable

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.3.19	31.3.18
	£	£
United Kingdom	54,919,453	57,329,917
Europe	5,948,170	1,922,239
Rest of the world	348,357	358,963
	<u>61,215,980</u>	<u>59,611,119</u>

4. EMPLOYEES AND DIRECTORS

	31.3.19	31.3.18
	£	£
Wages and salaries	1,089,958	1,043,170
Social security costs	69,308	73,549
Other pension costs	16,245	7,002
	<u>1,175,511</u>	<u>1,123,721</u>

The average number of employees during the year was as follows:

	31.3.19	31.3.18
Office and administration	10	11
Sales and marketing	3	3
Direct labour	84	87
	<u>97</u>	<u>101</u>

	31.3.19	31.3.18
	£	£
Director's remuneration	<u>15,000</u>	<u>30,000</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.19	31.3.18
	£	£
Other operating leases	215,000	215,000
Depreciation - owned assets	<u>26,576</u>	<u>23,452</u>

The exceptional item is in relation to a loan which in view of the directors may not be recoverable.

6. AUDITORS' REMUNERATION

	31.3.19	31.3.18
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>9,075</u>	<u>6,250</u>

3VS UK Limited (Registered number: 05090163)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

7. EXCEPTIONAL ITEMS

	31.3.19	31.3.18
	£	£
Litigation compensation	2,000,000	-

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.19	31.3.18
	£	£
Bank interest	174	225

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.19	31.3.18
	£	£
Current tax:		
UK corporation tax	547,028	806,122
Prior year tax adjustment	(240,381)	(41,657)
Tax on profit	306,647	764,465

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.19	31.3.18
	£	£
Profit before tax	5,622,525	6,610,451
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 20%)	1,068,280	1,322,090
Effects of:		
Income not taxable for tax purposes	(6,513)	-
Capital allowances in excess of depreciation	(42,536)	-
Depreciation in excess of capital allowances	-	23,452
Losses not utilised	(712,584)	(407,269)
Other adjustment	-	(173,808)
Total tax charge	306,647	764,465

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2019.

	Gross	31.3.18	Net
	£	Tax	£
	£	£	£
Gain/loss on revaluation of investments	(16,162)	-	(16,162)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2018	517,144	1,192,223	76,619	1,785,986
Additions	-	166	-	166
At 31 March 2019	517,144	1,192,389	76,619	1,786,152
DEPRECIATION				
At 1 April 2018	517,144	1,073,525	62,393	1,653,062
Charge for year	-	23,731	2,845	26,576
At 31 March 2019	517,144	1,097,256	65,238	1,679,638
NET BOOK VALUE				
At 31 March 2019	-	95,133	11,381	106,514
At 31 March 2018	-	118,698	14,226	132,924

12. FIXED ASSET INVESTMENTS

Group

	Listed investments £
COST OR VALUATION	
At 1 April 2018	965,157
Additions	238,031
At 31 March 2019	1,203,188
NET BOOK VALUE	
At 31 March 2019	1,203,188
At 31 March 2018	965,157

3VS UK Limited (Registered number: 05090163)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

12. FIXED ASSET INVESTMENTS - continued

Group

Cost or valuation at 31 March 2019 is represented by:

	Listed investments £
Valuation in 2017	948,996
Valuation in 2018	16,161
Valuation in 2019	238,031
	<u>1,203,188</u>
Company	Shares in group undertakings £
COST	
At 1 April 2018 and 31 March 2019	<u>200.004</u>
NET BOOK VALUE	
At 31 March 2019	<u>200.004</u>
At 31 March 2018	<u>200.004</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

ZABCED Limited

Registered office:

Nature of business: Pharmaceutical importers and wholesalers

	%
Class of shares:	holding
Ordinary	100.00

P.I.E Pharma Limited *

Registered office:

Nature of business: Licensing and assembly of pharmaceutical products

	%
Class of shares:	holding
Ordinary	100.00

Drugsrus Limited

Registered office:

Nature of business: Import and wholesale

	%
Class of shares:	holding
Ordinary	100.00

3VS UK Limited (Registered number: 05090163)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

12. FIXED ASSET INVESTMENTS - continued

Star Pharmaceuticals Limited *

Registered office:

Nature of business: England

	%
Class of shares:	holding
Ordinary	100.00

ZABCED LTD has applied for voluntary liquidation on 15th September 2018.

Tenolol Limited *

Registered office:

Nature of business: Licence holder

	%
Class of shares:	holding
Ordinary	100.00

The companies listed below are held through a subsidiary company of Jumbogate (not consolidated note 1)

Jumbogate EBT Trustees Ltd *

Registered office:

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Jumbogate 2003 *

Registered office:

Nature of business: Investment company

	%
Class of shares:	holding
Ordinary	100.00

* The financial statements in respect of these companies for the year ended 31 March 2019 have not been audited as exemption has been claimed under section 479a of the Companies Act 2006.

13. STOCKS

	Group	
	31.3.19	31.3.18
	£	£
Stocks	<u>6,516,595</u>	<u>5,793,556</u>

3VS UK Limited (Registered number: 05090163)**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019****14. DEBTORS**

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	15,373,833	20,184,904	-	-
Amount due to connected companies	964,933	626,108	-	-
Amounts owed by group undertakings	96,070	-	13,192,790	11,418,790
Other debtors	898,662	501,285	-	-
Directors' current accounts	1,311	179,521	-	-
Called up share capital not paid	104	104	100	100
Prepayments	15,500	15,500	-	-
	<u>17,350,413</u>	<u>21,507,422</u>	<u>13,192,890</u>	<u>11,418,890</u>
Amounts falling due after more than one year:				
Amounts owed by associates	154,201	60,160	-	-
Other debtors	403,400	-	-	-
	<u>557,601</u>	<u>60,160</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>17,908,014</u>	<u>21,567,582</u>	<u>13,192,890</u>	<u>11,418,890</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£	£	£	£
Trade creditors	5,857,946	11,727,140	1	-
Tax	639,320	879,268	-	-
Wages and salaries control	118,282	100,891	-	-
Social security and other taxes	52,663	39,966	-	-
VAT	1,022,340	396,835	-	-
Other creditors	86,815	74,621	523	523
Directors' current accounts	6,199	6,199	-	-
Directors' loan accounts	6,192	6,192	-	-
Accrued expenses	56,398	46,466	27,850	22,200
Deferred government grants	2,393	-	-	-
	<u>7,848,548</u>	<u>13,277,578</u>	<u>28,374</u>	<u>22,723</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.3.19	31.3.18
	£	£
Amounts owed to associates	<u>54,644</u>	<u>59,377</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

17. PROVISIONS FOR LIABILITIES

	Group	
	31.3.19	31.3.18
	£	£
Other provisions	14,300,000	16,300,000
	<u>14,300,000</u>	<u>16,300,000</u>
Aggregate amounts	14,300,000	16,300,000
	<u>14,300,000</u>	<u>16,300,000</u>

DEFERRED TAX

In the opinion of the directors, based on the information available to them, it is more likely that there will be no sufficient taxable profits in the foreseeable future, therefore it is appropriate to adjust the underlying timing difference in current year.

SOCIAL SECURITY

HM Revenue & Customs have raised an enquiry into the operation of the Employment Benefit Trust ("EBT") (see note 24). This concerns whether income tax and national insurance contribution should have been accounted for on transaction involving the EBT. The company received advice at the time that no tax or national insurance should have been paid. Further, HM Revenue & Customs have recently taken an unrelated case before the first tier tax tribunal which addressed the matters under enquiry at which the tax payer was successful.

A tax liability of up to 12,000,000 (2018 - £12,000,000) may arise to the group. The amount is depended on tax rates and the values of assets in the EBT. As a result or recent case, the directors do expect net cash cost or reduction in net assets arise from the operation of the EBT.

Litigation provisions

The company is involved in defending defending various legal proceedings for infringement of Intellectual Property and Trademark. If the claimants succeed then the company liabilities for damages and costs are estimated by the director to be £2,300,000 (2018: £4,300,00).

The directors continue to monitor the company's operations and are currently satisfied that the reported financial position of the company is accurate.

In addition, proceedings were commenced in October 2019 against the company in relation to transactions entered into in 2012. The claim is for equitable compensation for benefits allegedly received by the company. The company is in the process of defending the claim strenuously, on both factual and legal grounds. It is impracticable to estimate the financial effect of the claim, and the director does not consider that it is reasonably possible to give any realistic indication of the uncertainties relating to the amount or timing of any outflow of resources (including legal costs) or the possibility of any reimbursement. The director does not consider that there will be any significant effect on the company's financial position as a result of the proceedings.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.19	31.3.18
Number:	Class:		£	£
10,000	Ordinary	£0.01	<u>100</u>	<u>100</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

19. RESERVES

Group

	Retained earnings £	Reserve on consolidation £	Totals £
At 1 April 2018	(1,210,353)	7,299,991	6,089,638
Profit for the year	5,315,878		5,315,878
At 31 March 2019	<u>4,105,525</u>	<u>7,299,991</u>	<u>11,405,516</u>

20. CONTINGENT LIABILITIES

The company has overdraft and credit facilities with its bankers which are secured against the group current and future assets under a fixed and floating charge and a composite guarantee between group companies.

21. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

During the year the company paid rent amounting to £215,000 (2018 - £215,000) to Fliquet Holdings Limited a company in which Mr A Shah is ultimate beneficiary. These rental payment were on an arms length basis.

22. RELATED PARTY DISCLOSURES

At the year end, the company owed £7,293 (2019 - £5,624) from Quvera Limited, the company in which Mr A Shah is director.

At the year end, the company owed £957,640 (2018 - £620,484) from Dawa Limited, the company in which Mr A Shah is director.

At the year end, the company owed £5,444 (2018 - £5,442) from Jumbogate 2003, a subsidiary company of Drugsrus Ltd, the company in which Mr A Shah is director..

At the year end, the company owed £153,364 (2018- 59,323) from Jumbogate Furbs 2005, a subsidiary company of Jumbogate Ltd, the company in which Mr A Shah is director and Mr A Shah and Mr N Shah have an interest.

23. POST BALANCE SHEET EVENTS

The COVID -19 pandemic has been identified as a relevant event, but it is deemed to be non-adjusting as the condition did not exist at the balance sheet date. The directors have considered the effect of the COVID -19 pandemic on the company's activities. This event is likely to cause significant disruption to the company's activities, but at the date of the approval of these financial statements, the extent and quantum of the disruptions remain uncertain.

24. EMPLOYMENT BENEFIT TRUST

The group has historically made contribution to an Employment Benefit Trust ("EBT") formed for the benefit of group employees. The EBT has £0 of funds at 31 March 2019 (2018: £0). In addition there are £1.00 ordinary shares (2018: £1) with a nominal market value held in a sub-trust which had not vested to an individual employee. Assets that have not vested are not consolidated as they are immaterial in the current and prior period.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's operations expose it to variety of financial risks that include foreign exchange risk, credit risk and liquidity risk. This is closely monitored on a regular basis by the directors.

INTEREST RATE RISK

The company finances its operations primarily through retained profits and directors/shareholders loans. Trade debtors and trade creditors do not attract interest rate.

CREDIT RISK

The company's credit risk is primarily attributable to its trade debtors. The company manages credit risk through regular reviews of its customers standing and reputation and the appropriateness of assigned credit limits.

LIQUIDITY RISK

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

CURRENCY RISK

The company uses forward contracts to minimise its exposure to foreign exchange rate risk.

PRICE RISK

The company remains vigilant with regard to market driven price movements and actively manages purchasing requirements to minimise the risk of exposure to movement in price.

26. ULTIMATE PARENT COMPANY

3VS Limited (incorporated in Jersey) is regarded by the director as being the company's ultimate parent company.

27. ULTIMATE CONTROLLING PARTY

Mr A Shah who control 100% of the shares of 3VS Limited are the ultimate controlling party.