REGISTERED NUMBER: 04596349 (England and Wales)

Group Strategic Report, Report of the Director and

Audited Consolidated Financial Statements for the Year Ended 31 March 2019

for

Accord Healthcare Limited

Accord Healthcare Limited (Registered number: 04596349)

Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2019

Company Information
for the Year Ended 31 March 2019

DIRECTORS:	Dr J Burt Mr B H Chudgar Mr A L Cordrey Lord J K Gadhia Mr J G Goddard Mr R Marquilles Escola Mr N Parmar Mr P Semmens
SECRETARY:	Mr P Bhagia
REGISTERED OFFICE:	Sage House 319 Pinner Road North Harrow Middlesex HA1 4HF United Kingdom
REGISTERED NUMBER:	04596349 (England and Wales)
AUDITORS:	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

Group Strategic Report
for the Year Ended 31 March 2019

The Directors present their strategic report of Accord Healthcare Limited (also referred to as "Accord" or "the Company" or "the Group") for the financial year ended 31 March 2019 ("FY 2018/19"). The Group comprises Accord Healthcare Limited and its European and Rest of World subsidiaries (and is herein referred to as "Accord Europe" or "the Group").

REVIEW OF BUSINESS
During the year the Group maintained its position as the leading supplier of generic medicines in the UK, responsible for around 18% of UK generic prescription pharmaceuticals and continued its rapid growth of its European business.

During the year the Group turnover increased to £535million as compared to £467million in FY 2017/18. The performance of the UK business, incorporating the UK assets acquired from Teva in January 2017, continues to be in line with the management expectations and the transaction business case.

The Group continued to make significant investments to increase jobs and pharmaceutical manufacturing volumes in the EU and in particular, in the UK. The Group continued the development of the Fawdon manufacturing site and expanded the workforce on the site by around an additional 100 roles in the fiscal period. Further investment was made in equipment and capacity expansion to support production of greater volumes of prescription medicines for the UK and increasingly for export to Europe. This activity promises to secure significant Science, Technology, Engineering and Mathematics (STEM) job creation in the North East of England for many years to come.

The Group received MHRA approval for its distribution centre located in Didcot, Oxfordshire, along with the Home Office approvals required for certain classes of product. The site has undergone significant refurbishment and is now operational.

Another major development during the year was the approval of additional oncology production facilities in India, providing additional capacities to the Group in a core area of the product portfolio. The Group expects to see material benefits with this additional capacity coming on stream.

Accord was honoured to receive several awards from the Generics Bulletin, most significantly the Company of the Year 2018; a prestigious industry award adjudicated by a selection panel comprising senior figures from the pharmaceutical industry, in addition to receiving several other awards.

PRINCIPAL RISKS AND UNCERTAINTIES

Brexit
A key area of risk remains the uncertainty around the UK's future trading relationship with the EU post Brexit. One element of uncertainty is the future level of recognition between the regulatory bodies concerning pharmaceutical Marketing Authorisations ("MAs") and each jurisdiction's testing and Qualified Person release activities. Work continues to ensure business continuity in these areas, even in the worst-case scenario of no mutual recognition and full regulatory separation. The Group has secured continental European testing laboratory services for all principal products along with QP release. In addition the Group has invested in expanding its import licenses to facilitate expansion of shipments directly to continental Europe, thereby removing the UK from the logistic route for goods manufactured outside of the 27 remaining EU states. The Group has also completed the filing of all variations required to change each required EU MA to being held by a corporate entity resident within the EU 27. As a result of these activities the Group is well prepared for Brexit, although there could be contingent supply volatility within individual markets resultant from other competitors not being as well prepared. It is worth noting that the implementation of the Group's Brexit preparedness activities have resulted in significant costs for example the cost of regulatory variations, site transfer of testing and destruction of redundant packaging materials. There have been some impacts to timely availability of certain product lines while packaging materials were updated, although this impact is dissipating.

Regulatory Audits
There appears to have been an increase in the number of Good Manufacturing Practice (GMP) audits being performed by regulators in recent years. Accord, and its parent Group, Intas Pharmaceuticals Limited, have performed well and have successfully concluded all inspections to date. However, this has not been the case for some of our competitors who have had their GMP manufacturing approvals suspended. The Group continues to be at the forefront of addressing the unprecedented level of UK supply outages that have impacted the availability of essential medicines to the detriment of patients.

PRINCIPAL RISKS AND UNCERTAINTIES- CONTINUED

Falsified Medicines Directive
The EU Falsified Medicines Directive (FMD) legislation designed to prevent circulation of counterfeit medicines came into force during the period. The Group was ready to supply at the inception date of 9 February 2019. Nevertheless, in many cases Competent Authorities introduced implementation grace periods. As these grace periods conclude there is some risk of impact on the availability of medicines in Europe. The implementation of the equipment and systems required for FMD has resulted in significant capital expenditure for the Group, as well as reducing availability and raising the unit cost of products.

Competition Authorities
The Competition and Markets Authority ('CMA') has continued its investigations into matters relating to the pricing and supply of Hydrocortisone tablets in the UK. The timing of any decision on these matters by the CMA remains uncertain. However, should the CMA decide to impose a fine on Accord, its subsidiary Accord-UK Ltd and /or their parent company, these entities may appeal the fine.

Competition
The Group continued to experience competition from several companies. This competition may take the form of new products and services that better meet healthcare needs and competitors who respond more quickly to client requirements. In addition, competitors may have greater financial or technical resources than the Group. In order to mitigate this, the Group maintains a careful watching brief on its competitors to enable it to react quickly to any changes in circumstance or technical developments. In addition, the opportunity to acquire additional technologies is monitored on an on-going basis to ensure that the Group can maintain a competitive and diversified portfolio of products. The Group is also focused on developing existing products for utilisation in new and innovative ways to meet client needs while achieving differentiation. The above activities are mainly conducted by Group's parent company Intas Pharmaceuticals Limited and Accord's subsidiary Accord-UK Limited.

Availability of capital and cash flow
To enable the Group to progress through further stages of development, additional capital is raised by the parent company which supports the working capital and investment requirements. However, the availability of such facilities depends on the trading prospects of Accord and its subsidiaries. The Group continues to explore all sources of capital funding to ensure it is best placed to be able to deliver the right capital structure to support its development.

Key management
The Group depends on its senior management, who have a wealth of industry knowledge. The Group employs key technical, sales, marketing and management personnel both in the UK and overseas. However, competition for recruiting and retaining such personnel can be intense, hence the Group cannot give assurances that it will be able to attract or retain such staff. The Remuneration Committee annually reviews the appropriate remuneration structure and maintains the remuneration at market levels. We have dedicated recruitment processes in place ensuring that required skills are available as required. There is a dedicated training and developing function in place, and the Group maintains an academy approach to develop staff particularly in certain technical areas. In addition, internal review processes have been established to ensure, as far as possible, that employees are motivated and that suitable remuneration structures are in place

Delivery
The Group depends on effective and timely delivery of its products and services to clients. Technology failure and/or failure to deliver promised services in a timely and efficient manner in accordance with the contractual terms could have a significant impact on the reputation of the Group and hence future growth. In accordance with tender processes, all potential contracts are subject to risk assessment to ascertain capacity to supply, intellectual property compliance, available internal resource and timeline of delivery. A project plan is formulated to ensure that, should the contract be obtained, the Group is able to deliver the project in accordance with the contract terms.

Claims by third parties
While the Directors believe that the Group's products and other intellectual property do not infringe upon the proprietary rights of third parties, there can be no assurance that the Group will not receive infringement claims from third parties which could be both costly and time consuming. Where appropriate the Group will confirm the validity of its intellectual property via patent and trademark searches and will robustly defend such claims if appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES- CONTINUED

System failures and breaches of security
The operation of the Group's business depends upon maintaining the integrity of the Group's communication and information technology systems which may be vulnerable to damage, breakdown or interruption from events which are beyond the Group's control. The systems are backed up on a regular basis and appropriate investment is made in the infrastructure to maintain appropriate standards of integrity and security.

BUSINESS MODEL

The Group remains committed to improving lives by improving access to high quality affordable medicines. The Group has direct infrastructure in the vast majority of EU markets and continues to use exclusive distribution partners in select markets. This situation is undisturbed by a potential Brexit. The Group's European region commercial strategy involves activity in three principal channels:

1. Hospital Generics:
The Group continues to leverage its complete EU footprint. The business strives to improve service levels via enhancements to its 'Sales and Operational Planning' (S&OP) process and the development of a more flexible supply approach via investments made in European based packing, warehousing and testing facilities.

2. Retail Generics:
The structure of European markets for retail generics falls into either a 'commercial substitution' or 'clinical substitution' model. In commercial substitution markets the Group continues to expand its portfolio rapidly and leverage the significant UK operation with key integrated healthcare providers. The Group aims to improve service levels via rigorous S&OP and European packing operations. In select clinical substitution markets the Group is investing in clinical sales and marketing headcount, to better support healthcare professionals in target therapeutic segments.

3. Speciality Pharmaceutical Products:
The Group has focused its activity linked to its European pipeline of novel medicines in five key therapeutic segments. Many of the target products are designated 'Biologics'; a new wave of medical treatments that are having a great impact on healthcare budgets and patient outcomes. Biosimilars are versions of these medicines that can be brought to market after patents expire and are considered critical to introduce competition and ensure access to affordable versions of these treatments. As an exemplar, the Group was the first to commercialise a Biosimilar Peg-Filgrastim, a molecule designed to treat key side effects associated with some types of chemotherapeutic treatments. The development of this product had been prosecuted by the Group for over 10 years. The barriers to entry are high; clinical trials must be completed as well as significant investments in technology and plant. The Group has a significant further pipeline of biosimilar molecules under development or undergoing clinical trials and aims to bring these essential technologies to market to improve patient access and manage costs. The Group is actively augmenting its in-house portfolio via investments in licensing deals with partner companies and also acquisition where appropriate.

KEY PERFORMANCE INDICATORS

FY 2018/19 was a strong year of growth in net revenues in the region. The Group continues to be a major player within the generic hospital segment; and is now one of the top 10 suppliers of such products across Europe by turnover. The Group also remains the largest EU provider of generic chemotherapy, ensuring affordable access to vital cancer treatment. Growth in retail generics continues to be challenging but expectations are that retail volume will nearly double over the next few financial years. Analysis performed internally indicates that the Group remains a top 10 generic player in several EU markets and is ranked as a top 10 generic company by turnover on a pan-Europe basis.

Price pressure has been notable and the average price of a pack of medicine supplied by the Group in the UK has fallen by nearly 20% since January 2017, with the average price of a pack sold now below £1.20.

Accord has invested to create a significant number of product approvals and now has over 10,000 MAs either granted or filed in the region. Improving the utilisation of the portfolio is a key performance metric and during the last financial year, we saw a 16% improvement. Launch excellence is another key metric and the Group will launch a record number of new products in Europe over the next 12 months.

FINANCIAL INSTRUMENTS
The Group's principal financial instruments include bank balances, bank loan, creditors, debtors and amounts owed to the ultimate parent company. The main purpose of these instruments is to raise funds and finance the operations of the Group. Due to the nature of the financial instruments used by the Group, there is no exposure to price risk. The Group's approach to managing other risks applicable to financial instruments is disclosed below.

The interest rate associated with the Group's bank loan is based on fixed margin and LIBOR/EURIBOR. There is no risk management in place as far as any LIBOR/EURIBOR rate fluctuations are concerned. As the bank loan is in GBP there are no foreign currency risks associated with bank loans. The liquidity risk is managed by maintaining balances with the ultimate parent company to ensure sufficient funds are available to meet the requirements of the Group's business. The Group maintains sufficient balances to meet the day to day requirements of the business.

Debtors are managed in respect of credit and cash flow risk in respect of credit offered to customers.

Creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

There are foreign currency exchange risks arising from purchases and sales in foreign currency. The Group does not hedge against foreign currency risk and uses its parent company's treasury function for support.

FUTURE DEVELOPMENTS
The Group is investing in upgrading its business systems notably in areas such as Medical/Scientific Affairs, Clinical Development, Medical Representatives, Finance, Supply Chain, Regulatory and Quality Assurance. Significant investment continues to be committed to harmonising to a common ERP to service our financial system requirements throughout Europe. Several more countries came on line in FY 2018/19 with conclusion of the program anticipated during the coming fiscal year.

During the coming year, it is envisaged that the number of people employed by the Group within the region will increase to help service the Group's growth, in particular to support the continued development of the Fawdon facility, Didcot distribution centre and commercial infrastructure growth in continental Europe.

ON BEHALF OF THE BOARD:

James [signature]

....
Dr J Burt - Director

Date: 7 June 2019

Director's Report
for the Year Ended 31 March 2019

The Directors present their report with the financial statements of the company and the Group for the year ended 31 March 2019.

PRINCIPAL ACTIVITY
The principal activity of the Group is that of manufacturing, packing and distribution of prescription pharmaceutical products.

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

RESEARCH AND DEVELOPMENT
One of the Group subsidiaries, Accord-UK Limited, is engaged in research and development activities. These include new technologies, transfers and methods to achieve efficiencies in areas such as manufacturing, packing and testing. Accord-UK Limited is also engaged in strengthening and extending formulations of older molecules.

The remaining companies in the Group do not engage in any research and development as this work is performed by the ultimate parent company, Intas Pharmaceutical Limited

DIRECTORS
The Directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Dr J Burt
Mr B H Chudgar
Mr N Parmar
Mr A L Cordrey
Lord J K Gadhia
Mr J G Goddard
Mr R Marquilles Escola
Mr P Semmens

GOING CONCERN
The Financial statements have been prepared on the going concern basis as the Company's ultimate parent undertaking has confirmed its continued support to the Company for a period of at least twelve months from date of signature of these financial statements.

FOREIGN BRANCHES
The Company holds branches in Philippines, Myanmar and Vietnam.

INDEMNITY INSURANCE
An indemnity insurance policy is in place for the Board of Directors of the Company at the time of approval of these financial statements.

EMPLOYEES
The Directors endeavour to ensure that as far as possible, all employees, inclusive of disabled employees are given proper training to perform their duties. Should any of the employees become disabled during their term of employment, then every effort is made to ensure that their employment is continued, and appropriate retraining is given to such employees.

The Group operates a bonus scheme in order to encourage the involvement of employees in the Group's performance. The Group also encourages employees to take part in career development and training based on their needs.

The Group is committed to its adopted safety practices, which have enabled it to maintain high standards of health and safety for the benefit of employees, customers and the general public.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless 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 Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- 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 to ensure that the financial statements comply with the Companies Act 2006. The Directors are 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are 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 each Director has taken all the steps that ought to have taken as a Director in order to make aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....

Mr P Bhagia - Secretary

Date: 7 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCORD HEALTHCARE LIMITED

Opinion

We have audited the financial statements of Accord Healthcare Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Profit and Loss, Consolidated Statement of other Comprehensive (Loss)/Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes 1 to 33, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCORD HEALTHCARE LIMITED (Continued)

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 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 Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 7, 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 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

John Howarth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
11 June 2019

Consolidated Statement of Profit and Loss
for the Year Ended 31 March 2019

	Notes	31.3.19	31.3.18
		£'000	£'000
CONTINUING OPERATIONS			
Revenue	3	535,338	466,881
Cost of sales		(332,521)	(289,353)
GROSS PROFIT		202,817	177,528
Distribution costs		(73,566)	(42,299)
Administrative expenses		(89,752)	(89,987)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		39,499	45,242
Exceptional items	5	4,985	(11,106)
OPERATING PROFIT		44,484	34,136
Finance costs	6	(25,248)	(22,457)
Finance income	6	12	-
PROFIT BEFORE INCOME TAX	7	19,248	11,679
Income tax	8	(6,795)	(3,270)
PROFIT FOR THE YEAR		12,453	8,409

All amounts relating to continuing operations.

The notes form part of these financial statements

continued...

Accord Healthcare Limited (Registered number: 04596349)
Statement of Other Comprehensive (Loss)/Income
for the Year Ended 31 March 2019

	31.3.19 £'000	31.3.18 £'000
OTHER COMPREHENSIVE (LOSS)/INCOME		
Profit/(loss) for the year	**12,453**	**8,409**
Items that will not be reclassified to profit or loss:		
Currency translation differences	(169)	1,295
Asset ceiling on pension	(1,044)	9,080
Actuarial gains/(losses) on pensions	116	(23,002)
Movement on deferred tax relating to change in tax rates	177	3,066
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	(920)	(9,561)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR IS SOLELY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	11,533	(1,152)

The notes form part of these financial statements

Accord Healthcare Limited (Registered number: 04596349)
Consolidated Statement of Financial Position
for the Year Ended 31 March 2019

	Notes	31.3.19 £'000	31.3.18 £'000
ASSETS			
NON-CURRENT ASSETS			
Goodwill	10	463,906	463,906
Intangible assets	11	48,540	49,294
Property, plant and equipment	12	85,553	64,086
Deferred tax	23	14,505	7,944
		612,504	585,230
CURRENT ASSETS			
Inventories	14	165,212	143,432
Trade and other receivables	15	161,505	145,951
Tax receivable		-	5,186
Cash and cash equivalents	16	12,959	12,187
		339,676	306,756
TOTAL ASSETS		952,180	891,986
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	38,816	38,816
Accumulated Losses	18	(16,310)	(31,438)
TOTAL EQUITY		22,506	7,378
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	19	380,780	294,806
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	163,803	272,115
		544,583	566,921
CURRENT LIABILITIES			
Trade and other payables	19	270,973	253,421
Provisions		-	10,517
Financial liabilities - borrowings			
Bank overdrafts	20	4,305	3,114
Interest bearing loans and borrowings	20	106,686	50,635
Tax payable		3,127	-
		385,091	317,687
TOTAL LIABILITIES		929,674	884,608
TOTAL EQUITY AND LIABILITIES		952,180	891,986

The financial statements were approved by the Board of Directors on 7 June 2019 and were signed by:

James Burt

....
Dr J Burt - Director

The notes form part of these financial statements

Accord Healthcare Limited (Registered number: 04596349)

Company Statement of Financial Position
31 March 2019

	Notes	31.3.19 £'000	31.3.18 £'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	11	16,630	5,818
Property, plant and equipment	12	19,639	14,158
Investment in subsidiaries	13	590,854	590,259
Deferred tax	23	8,482	7,557
		635,605	617,792
CURRENT ASSETS			
Inventories	14	25,698	55,640
Trade and other receivables	15	147,569	87,150
Cash and cash equivalents	16	1,533	4,554
		174,800	147,344
TOTAL ASSETS		810,405	765,136
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	38,816	38,816
Accumulated Losses	18	(17,795)	(32,691)
TOTAL EQUITY		21,021	6,125
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	19	380,780	216,670
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	163,803	272,115
		544,583	488,785
CURRENT LIABILITIES			
Trade and other payables	19	138,115	216,085
Provisions		-	3,506
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	106,686	50,635
		244,801	270,226
TOTAL LIABILITIES		789,384	759,011
TOTAL EQUITY AND LIABILITIES		810,405	765,136

The financial statements were approved by the Board of Directors on 7 June 2019 and were signed by:

....

Dr J Burt - Director

The notes form part of these financial statements

Accord Healthcare Limited (Registered number: 04596349)

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

	Called up share capital £'000	Accumulated Losses £'000	Total equity £'000
At 1 April 2017	38,816	(23,793)	15,023
Prior year adjustment	-	(7,568)	(7,568)
At 1 April 2017 as restated	38,816	(31,361)	7,455
Changes in equity			
Profit for the year		8,409	8409
Deemed capital contribution		1,075	1,075
Other comprehensive loss for the year		(9,561)	(9,561)
Balance at 31 March 2018	38,816	(31,438)	7,378
Profit for the year		12,453	12,453
Deemed capital contribution		3,594	3,594
Other comprehensive loss for the year		(920)	(920)
Balance at 31 March 2019	38,816	(16,311)	22,505

The notes form part of these financial statements

Accord Healthcare Limited (Registered number: 04596349)

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

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 April 2017	38,816	(42,456)	(3,640)
Prior year adjustment	-	(3,713)	(3,713)
At 1 April 2017 as restated	38,816	(46,169)	(7,353)
Changes in equity			
Profit for the year		12,998	12,998
Deemed capital contribution		480	480
Balance at 31 March 2018	38,816	(32,691)	6,125
Changes in equity			
Dividends received	-	50,918	50,918
Deemed capital contribution		1,545	1,545
Loss for the year	-	(37,567)	(37,567)
Balance at 31 March 2019	38,816	(17,795)	21,021

The notes form part of these financial statements

Consolidated Statement of Cash Flows
for the Year Ended 31 March 2019

	Notes	31.3.19 £'000	31.3.18 £'000
Cash flows from operating activities			
Cash generated from operations	1	124,229	120,692
Interest paid		(25,240)	(22,457)
Tax paid		(6,887)	(21,825)
Net cash from operating activities		92,102	76,410
Cash flows from investing activities			
Purchase of intangible fixed assets		(11,415)	(3,918)
Purchase of tangible fixed assets		(28,856)	(22,016)
Interest received		12	-
Net cash from investing activities		(40,259)	(25,934)
Cash flows from financing activities			
Loan repayments in year		(52,262)	(53,399)
Net cash from financing activities		(52,262)	(53,399)
Decrease in cash and cash equivalents		(419)	(2,923)
Cash and cash equivalents at beginning of year	2	9,073	11,997
Cash and cash equivalents at end of year	2	8,654	9,073

The notes form part of these financial statements

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

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31.3.19	31.3.18
	£'000	£'000
Profit before income tax	19,248	11,679
Depreciation charges	18,835	14,980
Impairment charges	-	2,267
Intercompany movement	101,390	50,829
Currency translation differences	(50)	(2,535)
Share based payments	3,594	1,188
Other item	1,700	(2,898)
Finance costs	25,240	22,457
Finance income	(12)	-
	169,945	97,967
Increase in inventories	(21,780)	(9,417)
Increase in trade and other receivables	(15,554)	(24,706)
(Decrease)/increase in trade and other payables	(8,382)	56,848
Cash generated from operations	124,229	120,692

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	31.3.19	31.3.18
	£'000	£'000
Cash and cash equivalents	12,959	12,187
Bank overdrafts	(4,305)	(3,114)
	8,654	9,073

	31.3.18	31.3.17
	£'000	£'000
Cash and cash equivalents	12,187	17,367
Bank overdrafts	(3,114)	(5,370)
	9,073	11,997

1. STATUTORY INFORMATION

Accord Healthcare 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

New standards and interpretations not applied
The following new standards, new interpretations and amendments to standards and interpretations that the Directors consider relevant to the Group, have been issued but are not effective for the current financial year and have not been early adopted:

IFRS 16: Leases
IFRS 16 'Leases' is effective for annual periods beginning on or after 1st January 2019. IFRS 16 provides a single lessee accounting model, requiring lessees to recognise right of use assets and lease liabilities for all applicable leases.

IFRS 16 is expected to have a significant impact on the amounts recognised in the Group's consolidated Financial Statements. On adoption of IFRS 16 the Group will recognise within the balance sheet a right of use asset and lease liability for all applicable leases. Within the Income Statement, rent expense will be replaced by depreciation and interest expense. This will result in a decrease in operating expenses and an increase in finance costs. The standard will also impact a number of statutory measures such as operating profit and cash generated from operations. The full impact of IFRS 16 is currently under review, including understanding the practical application of the principles of the standard. It is therefore not practical to provide a reasonable estimate of the financial effect until this review is complete.

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the European Union (IFRS) and with the Companies Act 2006.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group Management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed below.

Basis of measurement
The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):
- Financial instruments fair value through profit or loss
- Net defined benefit liability

The consolidated financial statements are presented in Sterling (£), which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

continued...

2. **ACCOUNTING POLICIES- Continued**

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

Amendment to the financial statements
Under Companies Act 2006, S454, the company directors can voluntarily amend these financial statements if they subsequently prove to be defective.

Critical accounting estimates and judgements
The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

Judgements:
Patents and licence
The patents and licences are expected to have more than 10 years of useful economic life. However, it is not possible to calculate the useful economic life with certainty. Hence, they are amortised over 3-15 years.

Depreciation Rate
Annual rates applied in the depreciation policies are based on experience and past performance. Rates are continuously under assessment which may lead to revision in the future.

Interest rate
EURIBOR/ LIBOR are not expected to change rapidly and therefore no hedging has been made against interest rate fluctuations.

Impairment of goodwill
Impairment of goodwill is calculated based on net present value of future cashflow and discount rate used. However, there may be other factors that may not have come to light in determining the impairment.

Taxation and deferred taxation
The company is subject to income taxes in the UK. At each financial year end, judgement is required in determining the provision for income taxes. The company recognises liabilities for anticipated tax issues based on the best estimates at the balance sheet date.

Determining the deferred tax on non-current assets and liabilities requires an element of judgement. The company recognises deferred tax assets and liabilities based on the best estimate at the balance sheet date.

Where the final tax outcome of the above matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the year in which such determination is made. The final outcome of some of these tax items may give rise to material income statement and/or cash flow movements.

continued...

2. **ACCOUNTING POLICIES - continued**

Basis of consolidation
Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

The company does not have any non-controlling interest in any other business.

Goodwill
Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

continued...

2. **ACCOUNTING POLICIES - continued**

Revenue recognition
Revenue is recognised when the control of goods or service transfers to customers. Revenue includes revenue earned from the sale of goods and from the rendering of services. The group has adopted IFRS 15 in this financial year, however considering our customer base and the contracts with our customers, there are no material difference from previous revenue recognition policies.

Sale of goods
Revenue from the sale of pharmaceutical products is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services
Revenue from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Revenue is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Sale of buffer stock
Revenue does not include sales of pharmaceutical products with a repurchase obligation to Department of Health of UK Government.

Externally acquired intangible assets
Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. Any product registration fees are written off to profit and loss account.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Patents and licences cost	3- 15 years

Property, plant and equipment
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 4% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Inventories are initially recognised at cost and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary available for sale financial assets form part of the overall gain or loss recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the profit or loss in group entities' separate financial statements on the translation of long-term monetary items forming part of the group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

continued...

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments
Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Capital management policy
For the purpose of the group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Defined contribution schemes
Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Defined benefit schemes
One of the group companies Actavis UK Limited, operates a pension scheme providing benefits based on final pensionable pay. The assets of these schemes are held separately from those of the Company in independently administered funds. The defined benefit pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses. The pension scheme balance is recognised net of any related deferred tax balance with the recognition of any deferred tax asset following the principles described in the deferred tax accounting policy above.

Government grants
Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets' useful economic life.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial assets
The group financial assets include the following.

In 2018, as assessment of the Company's adherence to IFRS 9 was performed against the requirements of IAS 39, which had an effective date of 1 January 2018. It was concluded that the Company's existing strategy was IFRS 9 compliant, apart from small changes for disclosure purpose.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position

Financial liabilities:
The group financial liabilities includes the following.

Bank borrowings and borrowings through holding company are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method (if applicable).

Exceptional Items:
The group has adopted an accounting policy where income statement will seek to highlight significant items of income and expense within group results for the year. The Directors believe that this presentation provides a more helpful analysis as it highlights one-off items. Such items may include significant restructuring costs, profits or losses on disposal or termination of operations, litigation settlements and profit or loss on disposal of investments. The Directors in assessing the particular items, which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items, use judgement.

Share capital
The group's ordinary shares are classified as equity instruments.

continued...

2. **ACCOUNTING POLICIES - continued**

Dividends
Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Investment in subsidiaries
The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

Share based payments
Employees (including senior executives) of the group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period.

continued...

3. REVENUE

Revenue analysis
The revenue and profit (loss) before taxation are attributable to the one principal activity of the group.

An analysis of Revenue by class of business is given below:

	31.03.19	31.03.18
	£'000	£'000
Sale of goods	529,594	462,410
Rendering of services	5,744	4,471
	535,338	466,881

An analysis of turnover by geographical market is given below:

	31.03.19	31.03.18
	£'000	£'000
United Kingdom	251,669	261,878
Europe	267,175	192,597
Asia	13,442	10,841
Rest of the world	3,052	1,565
	535,338	466,881

4. EMPLOYEES AND DIRECTORS

	31.3.19	31.3.18
	£'000	£'000
Wages and salaries	69,172	51,204
Social security costs	9,533	6,606
Share based payment	3,594	1,188
Other pension costs	1,067	2,660
	83,366	61,531

continued...

4. **EMPLOYEES AND DIRECTORS - continued**

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

	31.3.19	31.3.18
Production, regulatory and quality	707	562
Sales and marketing	440	307
Office and administration	284	328
	1,431	1,197

Employee benefits expense	31.03.19 £'000	31.03.18 £'000
Included in Cost of Sales		
Wages and Salaries	22,348	18,135
Social Security cost	2,285	2,054
Included in Distribution costs		
Wages and Salaries	22,592	10,963
Social Security cost	3,921	1,455
Included in Administration expense		
Wages and Salaries	24,232	23,054
Social Security cost	3,327	3,210
Share based payment expense	3,594	1,188
Pension cost included in administration expenses	1,067	1,472
Total	83,366	61,531

	31.3.19 £'000	31.3.18 £'000
Directors' Remuneration	1,826	1,655
Directors' pension contributions to defined contribution scheme	46	43
Information regarding the highest paid director is as follows:		
Emoluments	1,008	976
Directors' pension contributions to defined contribution scheme	10	10

Key management compensation

During the year, a total of key management personnel compensation of £2,327,000 (2018: £2,237,000) was paid.

continued...

5. EXCEPTIONAL ITEMS

Exceptional items include legal settlements payable for the year relating to patent infringements and other items as detailed below.

	31.03.19	31.03.18
	£'000	£'000
Product infringement settlements paid/ (release of provision)	(4,985)	10,517
Integration expenses	-	589
Total	(4,985)	11,106

6. NET FINANCE COSTS

	31.3.19	31.3.18
	£'000	£'000
Finance income:		
Other interest received	12	-
Finance costs:		
Bank interest	492	243
Interest on other loans	24,756	22,214
	25,248	22,457
Net finance costs	25,236	22,457

7. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	31.3.19	31.3.18
	£'000	£'000
Cost of inventories recognised as expense	332,521	289,353
Other operating leases	3,456	2,617
Depreciation - owned assets	7,145	6,621
Research and development expenses	821	1057
Patents and licences amortisation	11,684	8,360
Auditors' remuneration	131	94
Foreign exchange losses	7,491	3,892

continued...

8. INCOME TAX

Analysis of tax expense

	31.3.19	31.3.18
	£'000	£'000
Current tax:		
Tax	15,200	10,266
Deferred tax	(8,405)	(6,996)
Total tax expense in consolidated statement of profit or loss and other comprehensive income	6,795	3,270

Factors affecting the tax expense

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

	31.3.19	31.3.18
	£'000	£'000
Profit before income tax	19,248	11,679
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	3,657	2,219
Effects of:		
Expenses not deductible for tax purposes	12,357	10,009
Tax adjustments relating to foreign subsidiaries	(814)	(1,962)
Deferred tax see (Note 23)	(8,405)	(6,996)
Tax expense	6,795	3,270

Budget 2016 announced a further reduction of corporation tax to 17% from 1 April 2020.

continued...

9. PROFIT OF PARENT COMPANY (£'000)

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. The parent company's profit for the financial year was £13,351 (2018 - £12,998).

10. GOODWILL

Group

	£'000
COST	
At 1 April 2018	
and 31 March 2019	463,906
NET BOOK VALUE	
At 31 March 2019	463,906

	£'000
COST	
At 1 April 2017	466,173
Impairments	(2,267)
At 31 March 2018	463,906
NET BOOK VALUE	
At 31 March 2018	463,906

In financial year ended March 2018, consist of impairment £2,267,000 relating to goodwill on business combination where the present value of future cash flow does not support the carrying amount of goodwill

In respect of the goodwill arising on business combination of Accord-UK Limited (formally Actavis UK Limited) and Accord Ireland Limited (formally Actavis Ireland Limited), the group assessed the carrying value using the following and concluded that there are no indicators of impairment at 31 March 2019.

1) Present value of future cashflow support the assumption that there are no indicators of impairment of goodwill.
2) The discount rate of 10% is used in the assessment which is considered.
3) The sensitivity analysis carried out, with a reduction to revenue by 15%, still supports the carrying value of goodwill.
4) A growth rate of 2% was used in the calculation which is in line with the inflation rate in the UK.

continued...

11. INTANGIBLE ASSETS

Group

	Patents and licences £'000
COST	
At 1 April 2018	63,452
Additions	11,415
Disposals	(5,106)
Exchange differences	(146)
At 31 March 2019	69,615
AMORTISATION	
At 1 April 2018	14,158
Amortisation for year	11,684
Eliminated on disposal	(4,612)
Exchange differences	(155)
At 31 March 2019	21,075
NET BOOK VALUE	
At 31 March 2019	48,540

	Patents and licences £'000
COST	
At 1 April 2017	60,185
Additions	3,918
Disposals	(828)
Exchange differences	177
At 31 March 2018	63,452
AMORTISATION	
At 1 April 2017	5,833
Amortisation for year	8,360
Eliminated on disposal	(138)
Exchange differences	103
At 31 March 2018	14,158
NET BOOK VALUE	
At 31 March 2018	49,294

continued...

11. **INTANGIBLE ASSETS - continued**

Company

	Patents and licences £'000
COST	
At 1 April 2018	6,065
Additions	11,297
At 31 March 2019	17,362
AMORTISATION	
At 1 April 2018	247
Amortisation for year	485
At 31 March 2019	732
NET BOOK VALUE	
At 31 March 2019	16,630

	Patents and licences £'000
COST	
At 1 April 2017	2,565
Additions	3,500
At 31 March 2018	6,065
AMORTISATION	
At 1 April 2017	57
Amortisation for year	190
At 31 March 2018	247
NET BOOK VALUE	
At 31 March 2018	5,818

Amortisation of patents and licences is included in cost of sales.

continued...

12. **PROPERTY, PLANT AND EQUIPMENT**

Group

	Freehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000
COST			
At 1 April 2018	35,766	31,590	4,594
Additions	737	24,378	1,719
Disposals	-	(157)	(142)
Exchange differences	(10)	(4)	(30)
At 31 March 2019	36,493	55,807	6,141
DEPRECIATION			
At 1 April 2018	943	6,827	1,533
Charge for year	576	4,347	1,031
Eliminated on disposal	24	(62)	(78)
Exchange differences	(2)	(1)	(12)
At 31 March 2019	1,541	11,111	2,474
NET BOOK VALUE			
At 31 March 2019	34,952	44,696	3,667

	Motor vehicles £'000	Computer equipment and software £'000	Totals £'000
COST			
At 1 April 2018	21	2,628	74,599
Additions	52	1,970	28,856
Disposals	-	(23)	(322)
Exchange differences	-	(26)	(70)
At 31 March 2019	73	4,549	103,063
DEPRECIATION			
At 1 April 2018	21	1,189	10,513
Charge for year	13	1,178	7,145
Eliminated on disposal	-	(5)	(121)
Exchange differences	-	(12)	(27)
At 31 March 2019	34	2,350	17,510
NET BOOK VALUE			
At 31 March 2019	39	2,199	85,553

continued...

12. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Freehold property £'000	Improvements to property £'000	Plant and machinery £'000
COST			
At 1 April 2017	16,429	285	30,951
Additions	19,053	-	941
Disposals	-	-	(303)
Exchange differences	(1)	-	1
Reclassification/transfer	285	(285)	-
At 31 March 2018	35,766	-	31,590
DEPRECIATION			
At 1 April 2017	437	-	2,681
Charge for year	455	-	4,147
Eliminated on disposal	51	-	(2)
Exchange differences	-	-	1
At 31 March 2018	943	-	6,827
NET BOOK VALUE			
At 31 March 2018	34,823	-	24,763

	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment and Software £'000	Totals £'000
COST				
At 1 April 2017	3,945	21	1,568	53,199
Additions	777	-	1,245	22,016
Disposals	(138)	-	(195)	(636)
Exchange differences	10	-	10	20
At 31 March 2018	4,594	21	2,628	74,599
DEPRECIATION				
At 1 April 2017	569	19	303	4,009
Charge for year	1,081	2	936	6,621
Eliminated on disposal	(120)	-	(53)	(124)
Exchange differences	3	-	3	7
At 31 March 2018	1,533	21	1,189	10,513
NET BOOK VALUE				
At 31 March 2018	3,061	-	1,439	64,086

Included in cost of land and buildings is freehold land of £15,462,993 (2018 - £15,462,993) which is not depreciated.

continued...

12. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Freehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000
COST			
At 1 April 2018	7,421	9,570	429
Additions	85	5,580	161
At 31 March 2019	7,506	15,150	590
DEPRECIATION			
At 1 April 2018	469	2,885	317
Charge for year	157	1,086	75
At 31 March 2019	626	3,971	392
NET BOOK VALUE			
At 31 March 2019	6,880	11,179	198

	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST			
At 1 April 2018	21	560	18,001
Additions	23	1,335	7,184
At 31 March 2019	44	1,895	25,185
DEPRECIATION			
At 1 April 2018	21	151	3,843
Charge for year	4	381	1,703
At 31 March 2019	25	532	5,546
NET BOOK VALUE			
At 31 March 2019	19	1,363	19,639

continued...

12. **PROPERTY, PLANT AND EQUIPMENT - continued**

Company

	Freehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000
COST			
At 1 April 2017	3,724	8,983	418
Additions	3,697	890	11
Disposals	-	(303)	-
At 31 March 2018	7,421	9,570	429
DEPRECIATION			
At 1 April 2017	391	2,067	235
Charge for year	78	818	82
At 31 March 2018	469	2,885	317
NET BOOK VALUE			
At 31 March 2018	6,952	6,685	112

	Motor vehicles £'000	Computer equipment and Software £'000	Totals £'000
COST			
At 1 April 2017	21	253	13,399
Additions	-	307	4,905
Disposals	-	-	(303)
At 31 March 2018	21	560	18,001
DEPRECIATION			
At 1 April 2017	19	37	2,749
Charge for year	2	114	1,094
At 31 March 2018	21	151	3,843
NET BOOK VALUE			
At 31 March 2018	-	409	14,158

continued...

13. INVESTMENTS

Company

	Shares in group undertakings £'000
COST	
At 1 April 2018	590,259
Additions	595
At 31 March 2019	590,854
NET BOOK VALUE	
At 31 March 2019	590,854

	Shares in group undertakings £'000
COST	
At 1 April 2017	592,025
Additions	501
Impairments	(2,267)
At 31 March 2018	590,259
NET BOOK VALUE	
At 31 March 2018	590,259

continued...

13. INVESTMENTS - continued

	Subsidiary Name	Country of Incorporation
1	Accord Healthcare BV	Netherlands
2	Accord Healthcare France SAS	France
3	Accord Healthcare Italia SRL	Italy
4	Accord Healthcare SLU	Spain
5	Accord Healthcare AB	Sweden
6	Accord Healthcare Polska Sp	Poland
7	Accord Healthcare GmbH	Austria
8	Accord Healthcare BVBA	Belgium
9	Accord Healthcare Oy	Finland
10	Accord Healthcare Ireland Limited	Ireland
11	Accord Healthcare Limited	Malta
12	Accord Healthcare Ou	Estonia
13	Accord Healthcare GmbH	Germany
14	Accord Healthcare SDN.BHD	Malaysia
15	Accord Healthcare Mena JLT	United Arab Emirates
16	Accord Healthcare s.r.o	Czech Republic
17	Accord Healthcare Private Limited	Singapore
18	Accord Healthcare HK Limited	Hong Kong
19	Accord Healthcare Unipessoal Lda	Portugal
20	Accord Healthcare SRL	Romania
21	Accord Healthcare AG	Switzerland
22	Accord - UK Limited	United Kingdom
23	Accord Thailand Limited	Thailand
24	Accord South Korea Limited	South Korea

The main activity of the above companies is that of the distribution of pharmaceutical products except Accord-UK Limited which is a manufacturing and distribution company. All of the above companies are wholly owned subsidiaries with ordinary share capital.

14. INVENTORIES

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£'000	£'000	£'000	£'000
Raw material	15,350	8,371	1,325	975
Work in progress	8,688	5,294	4,799	7,612
Finished goods	141,174	129,767	19,574	47,053
	165,212	143,432	25,698	55,640

continued...

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£'000	£'000	£'000	£'000
Current:				
Trade debtors	139,143	129,064	7,489	32,265
Amounts owed by group undertakings	-	-	126,418	42,488
Other debtors	17,586	9,096	10,943	6,044
Prepayments and accrued income	4,776	7,791	2,719	6,353
	161,505	145,951	147,569	87,150

The table below summarises the group's trade receivable ageing.

	Total receivable	Not due	0-30 days	31-60 days	61-90 days	91-180 days	>180 Days
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FY2019	139,143	132,614	2,615	962	1,224	770	958
FY2018	129,064	115,897	3,481	354	3,687	3,509	2,136

Considering our customer base, the Expected Credit Loss (ECL) is not material. Above debtors ageing included provision for bad debts amounting to £751,000 (2018: £1,353,000) which is not material.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£'000	£'000	£'000	£'000
Cash in hand	11	6	-	-
Bank accounts	12,948	12,181	1,533	4,554
	12,959	12,187	1,533	4,554

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.19	31.3.18
			£'000	£,000
38,815,674	Ordinary	£1	38,816	38,816

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from winding up of the company.

continued...

18. RESERVES

Group

	Accumulated Losses £'000
At 1 April 2018	(31,438)
Profit for the year	12,453
Other comprehensive loss for the year	(920)
Deemed capital contribution	3,594
At 31 March 2019	(16,311)

Company

	Accumulated Loses £'000
At 1 April 2018	(32,691)
Loss for the year	(37,567)
Dividends	50,918
Deemed capital contribution	1,545
At 31 March 2019	(17,795)

19. TRADE AND OTHER PAYABLES

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£'000	£'000	£'000	£'000
Current:				
Trade creditors	45,597	36,948	11,965	8,151
Amounts owed to group undertakings	93,694	78,277	97,792	172,528
Social security and other taxes	2,009	1,518	420	280
Other creditors	9,781	17,076	7,556	11,369
Accruals and deferred income	119,892	119,602	20,382	23,757
	270,973	253,421	138,115	216,085

continued...

19. TRADE AND OTHER PAYABLES - continued

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£'000	£'000	£'000	£'000
Non-current:				
Amounts owed to group undertakings	380,780	294,806	380,780	216,670
Aggregate amounts	651,753	548,227	518,895	432,755

Amount owed to group undertaking includes two loans such as Argentum Loan of £220,862,000 and other long-term loan repayable by 31 March 2021 amounting £159,416 and interest payable on this loan is 3.22%.

Argentum Loan is repayable as per the following schedule and the interest payable is based on EURIBAR plus margin of 2 % and a mark-up of 0.45%

As at 31 March 2019	Book Value £'000	Fair Value £ '000
Total amount due for payment	£220,819	£216,862
Payable by 31.12.20	£44,164	£42,239
Payable by 30.06.21	£44,164	£ 43,468
Payable by 31.12.21	£44,164	£43,560
Payable by 30.06.22	£44,164	£43,653
Payable by 31.12.22	£44,163	£43,942

20. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£'000	£'000	£'000	£'000
Current:				
Bank overdrafts	4,305	3,114	-	-
Bank loans	106,686	50,635	106,686	50,635
	110,991	53,749	106,686	50,635
Non-current:				
Bank loans	163,803	272,115	163,803	272,115

Debt Repayment Schedule and interest payable on the loan is LIBOR plus Margin of 2.3%.

As at 31 March 2019	Book Value £',000	Fair Value £'000
Total amount due for payment	£275,003	£270,489
Payable by 30.06.19	£55,000	£52,451
Payable by 31.12.19	£55,000	£54,235
Payable by 30.06.20	£55,000	£54,436
Payable by 31.12.20	£55,000	£54,579
Payable by 30.06.21	£55,003	£54,788

continued...

20. FINANCIAL LIABILITIES - BORROWINGS - continued

Group

	1 year or less £'000	1-2 years £'000	2-5 years £'000	Totals £'000
Bank overdrafts	4,305	-	-	4,305
Bank loans	106,686	109,015	54,788	270,489
	110,991	109,015	54,788	274,794

Company

	1 year or less £'000	1-2 years £'000	2-5 years £'000	Totals £'000
Bank loans	106,686	109,015	54,788	270,489

The bank loan is secured by guarantees and indemnities given by the company as the "Borrower" and by the parent company as the "Guarantor".

The lenders have registered a charge over the company's investment in shares (Accord- UK Limited, formally Actavis UK Limited, a company registered in England and Wales and Actavis Ireland Limited a company registered in Ireland) with regard to the above facility.

In addition to the above, lenders have security over all assets including but not limited to real property and intellectual property such as trade mark and marketing authorisations.

In respect of bank loan and loan from group undertaking, the lenders have covenants on the performance of the parent company such as
Adjusted Leverage should not be more than 3:1
ICR (EBITDA to Finance Charges) shall not be less than 5:1
DSCR shall not be less than 1.2:1
Asset cover. Secured asset cover test should be satisfied.

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.3.19 £'000	31.3.18 £'000
Within one year	2,495	1,481
Between one and five years	4,667	3,176
In more than five years	628	717
	7,790	5,377

Company

	Non-cancellable operating leases	
	31.3.19 £'000	31.3.18 £'000
Within one year	79	79
Between one and five years	317	317
In more than five years	551	630
	947	1,026

continued...

22. FINANCIAL INSTRUMENTS

The Group has the following financial instruments:

Financial assets that are debt instruments

	Group		Company	
	31.03.19	31.03.18	31.03.19	31.03.18
	£'000	£'000	£'000	£'000
Trade debtors	139,143	129,064	7,489	32,265
Amounts owed by group undertakings	-	-	126,418	42,488
Other debtors	17,586	9,096	10,943	6,044
Total	156,729	138,160	144,850	80,797

Financial liabilities

	Group		Company	
	31.03.19	31.03.18	31.03.19	31.03.18
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	274,794	325,864	270,489	322,750
Trade creditors	45,597	36,948	11,965	8,151
Amounts owed to group undertakings	474,474	373,083	478,572	389,198
Other creditors	9,781	17,077	7,556	11,369
Accruals	119,892	130,119	20,382	27,263
Total	924,538	883,091	788,964	758,731

continued...

23. DEFERRED TAX

Group

	31.3.19	31.3.18
	£'000	£'000
Balance at 1 April	(7,944)	(4,073)
Accelerated capital allowances	(4,148)	(2,352)
Interest restriction -Timing difference	(925)	(2,861)
Exchange differences	119	224
Pension contribution	1,700	2,901
Fair value adjust - business combination	(385)	(1,103)
Deferred tax on unrealised profit	(2,922)	(680)
Balance at 31 March	(14,505)	(7,944)

Company

	31.3.19	31.3.18
	£'000	£'000
Balance at 1 April	(7,557)	(4,813)
Accelerated capital allowances	-	117
Interest restriction	(925)	(2,861)
Balance at 31 March	(8,482)	(7,557)

continued...

24. ULTIMATE PARENT COMPANY

In the opinion of the directors the ultimate parent company is Intas Pharmaceuticals Limited, a company incorporated in India. The smallest and largest group of which this group is a member and for which group consolidated financial statements are prepared is Intas Pharmaceuticals Limited. The group financial statements of Intas Pharmaceuticals Limited may be obtained from the company secretary at Corporate House, S G Highway, Thaltej, Ahmedabad 380054, Gujarat, India.

25. CONTINGENT LIABILITIES

The Competition and Markets Authority (CMA) is currently investigating matters relating to the pricing of Hydrocortisone in the UK. The CMA has previously issued a draft penalty statement indicating the fine it proposed to issue in connection with its investigation into Accord-UK Limited's (formerly Actavis UK Limited, one of the subsidiaries of Accord Healthcare Limited) pricing of Hydrocortisone tablets in the UK. However, the company is advised that the level of the fine proposed by the CMA is open to serious question from a legal point of view and representations challenging every aspect of the proposed fine have been made to the CMA. Furthermore, there have subsequently been significant developments in the area of law pertinent to the investigation, which are not yet settled finally, and it is not clear how the CMA may be planning to amend its case in light of these changes. Fines for competition law infringements can be up to 10% of the global group turnover. However, given the current uncertainty, it is not possible to quantify any such fine in relation to the investigation into the pricing of Hydrocortisone, where the investigation is ongoing. If any fine is ultimately imposed, the group will have the opportunity to appeal that fine. If a fine is imposed and any appeal is ultimately unsuccessful, litigation may be issued against the group in connection with these matters.

26. CONTINGENT ASSET

In relation to [Note 25], if any such fines are imposed (and any appeals are unsuccessful), the group may benefit from contractual protections/indemnification in connection with these matters from third parties, which would offset a significant part of any losses suffered by the group. Such protections arise from the agreements relating to the divestment of Actavis UK Limited (now Accord-UK Limited) by its previous owner and its acquisition by Intas Pharmaceuticals Limited. Given the current uncertainty, it is therefore not possible to quantify the value of any such assets. However, as the contractual protection/indemnification covers the period up to closing of that divestment in January 2017 and given that the alleged infringement relating to the pricing of Hydrocortisone tablets in the UK is for the most part historical, the directors therefore estimate that the contractual protection/indemnification should significantly offset any related contingent liability that may arise.

27. CAPITAL COMMITMENTS

	31.3.19	31.3.18
	£'000	£'000
Contracted but not provided for in the financial statements	7,227	6,702

28. OTHER FINANCIAL COMMITMENTS

The company has given guarantees to its subsidiaries Accord Healthcare BV, Netherlands, Accord Healthcare SDN BHD, Malaysia, Accord Healthcare Pvt Ltd, Singapore, Accord Healthcare Korea Ltd, South Korea, Accord Healthcare Thailand Ltd, Thailand, Accord Healthcare HK Ltd, Hongkong, in respect of debts arising from legal transactions and equity deficit. In turn Accord Healthcare Limited, UK has received a guarantee from its parent company, Intas Pharmaceuticals Limited to cover all its liabilities.

In addition, the company's bankers have given guarantee worth £93,497 (2018 £87,642) to different suppliers.

continued...

29. RELATED PARTY DISCLOSURES

Intas Pharmaceuticals Limited (ultimate parent company)	31.03.19 £,000	31.03.18 £,000
Sales	-	1,732
Purchases	134,620	116,246
Interest payable	11,890	9,489
Amount due (to)/from related party	(475,135)	(372,468)

Intas Third Party Sales 2005 SLU- Spain	31.03.19 £,000	31.03.18 £,000
Sales	408	171
Purchases	-	-
Interest payable	-	-
Amount due (to)/from related party	661	182

Astron Research Limited (wholly owned subsidiary of the ultimate parent company)	31.03.19 £,000	31.03.18 £,000
Interest payable	-	-
Purchases and services from: (includes reimbursements of £508)	3,732	3,256
Amount due (to)/from related party	(644)	(797)

Lambda Therapeutic Limited
Mr B H Chudgar is a director and a shareholder of Lambda Therapeutic Research Limited (a company incorporated in India) and controls by virtue of his shareholding and his family's interest in the company. Lambda Therapeutic Limited (a company incorporated in England) is a wholly owned direct subsidiary.

	31.03.19 £,000	31.03.18 £,000
Interest payable	-	-
Purchases and services from:	2,206	2,525
Amount due (to)/from related party	(4,756)	(5,539)

The following are related party disclosures which has been eliminated as part of group consolidated financial statements.

Accord Healthcare BV - Netherlands (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest receivable	98	76
Sales and services to:	34,536	10,757
Purchases and services from:	193	-
Amount due (to)/from related party	24,804	5,853

continued...

RELATED PARTY DISCLOSURES continued

Accord Healthcare France SAS – France (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	70	73
Sales and services to:	10,722	8,483
Purchases and services from:	-	-
Amount due (to)/from related party	10,060	5,952

Accord Healthcare Italia SRL - Italy (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	154	148
Sales and services to:	25,750	23,948
Purchases and services from:	-	116
Amount due (to)/from related party	13,873	12,923

Accord Healthcare SLU - Spain (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	(92)	(3)
Sales and services to:	12,171	7,351
Purchases and services from:	4,419	3,979
Amount due (to)/from related party	(5,220)	(676)

Accord Healthcare AB - Sweden (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	45	47
Sales and services to:	12,958	9,691
Purchases and services from:	23	-
Amount due (to)/from related party	7,812	5,595

Accord Healthcare Polska Sp - Poland (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	161	44
Sales and services to:	35,646	-
Purchases and services from:	8,040	6,626
Amount due (to)/from related party	41,807	243

continued...

RELATED PARTY DISCLOSURES continued

Accord Healthcare GmbH - Austria (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	5	-
Sales and services to:	5,016	-
Purchases and services from:	-	2,443
Amount due (to)/from related party	1,321	(394)

Accord Healthcare BVBA - Belgium (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	34	27
Sales and services to:	256	898
Purchases and services from:	-	-
Amount due (to)/from related party	1,297	1,616

Accord Healthcare Oy - Finland (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	38	38
Sales and services to:	3,025	3,063
Purchases and services from:	10	-
Amount due (to)/from related party	2,482	2,731

Accord Healthcare Limited - Malta (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	1	2
Sales and services to:	-	-
Purchases and services from:	-	-
Amount due (to)/from related party	37	37

continued...

RELATED PARTY DISCLOSURES continued

Accord Healthcare Ou - Estonia (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	-	-
Sales and services to:	-	-
Purchases and services from:	828	475
Amount due (to)/from related party	(798)	(628)

Accord Healthcare GmbH - Germany (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	(468)	(242)
Sales and services to:	14,949	7,074
Purchases and services from:	-	-
Amount due (to)/from related party	(14,907)	(8,324)

Accord Healthcare SDN.BHD - Malaysia (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	6	10
Sales and services to:	-	-
Purchases and services from:	-	-
Amount due (to)/from related party	287	163

Accord Healthcare Mena JLT - United Arab Emirates (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	52	43
Sales and services to:	-	-
Purchases and services from:	1,963	1,623
Amount due (to)/from related party	19	562

Accord Healthcare s.r.o - Czech Republic (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	12	9
Sales and services to:	-	-
Purchases and services from:	818	994
Amount due (to)/from related party	555	(55)

continued...

RELATED PARTY DISCLOSURES continued

Accord Healthcare Private Limited - Singapore (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	72	51
Sales and services to:	-	-
Purchases and services from:	-	-
Amount due (to)/from related party	2,511	1,878

Accord Healthcare HK Limited - Hong Kong (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest receivable	7	5
Sales and services to:	-	-
Purchases and services from:	-	-
Amount due (to)/from related party	265	156

Accord Healthcare Unipessoal Lda - Portugal (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	85	43
Sales and services to:	2,699	1,912
Purchases and services from:	-	-
Amount due (to)/from related party	3,190	3,792

Accord Healthcare SRL - Romania (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	18	11
Sales and services to:	-	-
Purchases and services from:	1,013	1,196
Amount due (to)/from related party	771	(33)

continued...

RELATED PARTY DISCLOSURES continued

Accord- UK Limited - United Kingdom (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	(1,000)	(1,461)
Sales and services to:	62,304	46,237
Purchases and services from:	-	-
Amount due (to)/from related party	12,461	(6,046)

Accord Healthcare Ireland Limited - Ireland (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	23	51
Sales and services to:	3,098	1,064
Purchases and services from:	-	-
Amount due (to)/from related party	1,407	(54)

Accord Healthcare AG - Switzerland (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	22	1
Sales and services to:	50	-
Purchases and services from:	40	-
Amount due (to)/from related party	1,340	195

Accord Healthcare Korea Limited - South Korea (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	1	-
Sales and services to:	-	-
Purchases and services from:	-	-
Amount due (to)/from related party	83	30

Accord Healthcare Thailand Limited - Thailand (wholly owned subsidiary of Accord Healthcare Limited)	31.03.19 £,000	31.03.18 £,000
Interest (payable)/receivable	1	-
Sales and services to:	-	-
Purchases and services from:	-	-
Amount due (to)/from related party	36	35

continued...

30. ULTIMATE CONTROLLING PARTY

The group was not under the control of any one party. However, Mr B H Chudgar, a director, and the Chudgar family together have a controlling interest by virtue of shareholding in the ultimate parent company.

31. SHARE-BASED PAYMENT TRANSACTIONS

The employee stock option scheme (ESOS) consists of share options of the parent company granted to the senior executives of Accord Healthcare Limited and its subsidiaries. The employee stock appreciation rights plan (ESAR) of the parent is also granted to the senior executives of the company.

The summary of the plan is as follows.

	ESOS	ESAR
Exercise price	£18.13	
Intrinsic value at grant date (ESOS/ESAR)	£16.11	£29.51
Grant date	1 January 2018	1 January 2018
Vesting dates	1 January 2019 (30% of the shares)	1 January 2019 (30% of the shares)
	1 January 2020 (30% of the shares)	1 January 2020 (30% of the shares)
	1 January 2021 (40% of the shares)	1 January 2021 (40% of the shares)
Number of shares issued	336,918 shares of the Parent company "Intas Pharmaceuticals Limited"	72,021 shares of the Parent company "Intas Pharmaceuticals Limited"

As per the Black Scholes Option Pricing Model, if the ESOS has an exercise price of £18.13, the intrinsic value of ESOS was £16.11 on the date of grant.

32. DEFINED BENEFIT PENSION SCHEME

One of the subsidiary Accord-UK Limited operates a defined benefit pension scheme, The Actavis Defined Benefit Pension Plan (formerly the Alpharma Limited Retirement Benefit Scheme), providing benefits based on final pensionable pay. This is an approved funded pension scheme. The assets of the Scheme are held separately from the assets of the Company. The latest full actuarial valuation was carried out at 1 October 2015 and was updated on 31 March 2019 by a qualified independent actuary.

The scheme was closed to new entrants on 30 August 2006 and was closed to future accrual on 31 December 2010 at which time existing members of the pension scheme transferred to the company's defined contribution scheme. In November 2017, the trustees of the Scheme entered into a 'buy-in' contract to secure annuity policies covering all pensions currently in payment (together with attaching dependants' pensions) and the liability for the future benefits for the remaining active and deferred pensioner members.

The Scheme provides benefits on a defined benefit basis and the following disclosures relate to the defined benefit scheme alone. Contributions to the Scheme are assessed in accordance with the advice of a qualified actuary.

	31.03.19	31.03.18
	£000	£000
Present value of funded defined benefit obligations:	(83,644)	(83,033)
Fair value of plan assets	84,690	81,108
Surplus/ (Deficit)	1,046	(1,925)
Related deferred tax asset	1,334	3,034
Net Asset	2,380	1,109

continued...

32. DEFINED BENEFIT PENSION SCHEME (Continued)

Movements in present value of defined benefit obligation

	31.03.19	31.03.18
	£000	£000
At 1 April	(83,033)	(87,422)
Past service cost	2,905	
Interest cost	(2,219)	(2,413)
Actuarial gain/(loss) arising from:		
- Changes in financial assumptions	(3,925)	(178)
- Changes in demographic assumption	909	3,133
- Experience gains/losses	-	1,374
Benefits paid	1,719	2,473
At 31 March	(83,644)	(83,033)

Movements in fair value of plan assets

	31.03.19	31.03.18
	£000	£000
At 1 April	81,108	96,173
Interest income on plan assets	2,167	2,742
Return/(loss) on plan assets in excess of interest income	3,134	(27,331)
Contributions by employer	-	11,997
Benefits paid	(1719)	(2,473)
At 31 March	84,690	81,108

Income/(Expense) recognised in the income statement

	31.03.19	31.03.18
	£000	£000
Past service income/(expense)	2,905	-
Interest income/(expense) on defined pension plan obligation	(2,219)	(2,413)
Interest on effect of asset ceiling	-	(329)
Interest income/(expense) on defined benefit pension plan assets	2,167	2,742
Total	2,853	-

The income is recognised in the following line items in the income statement:

	2019	2018
	£000	£000
Administrative income/(expenses)	2,853	-

continued...

32. DEFINED BENEFIT PENSION SCHEME (Continued)

The fair value of the plan assets were as follows:

	31.03.19 £000	31.03.18 £000
Cash and other investments	461	475
Insurance policies	84,229	80,633
Total	84,690	81,108

Principal actuarial assumptions (expressed as weighted averages) at the yearend were as follows:

	31.03.19	31.03.18
Discount rate	2.5% pa	2.7% pa
Inflation – RPI	3.4% pa	3.4% pa
Salary growth	N/A	4.9% pa
Pension increases in deferment – Pre April 2009	3.4% pa	3.4% pa
Pension increased in deferment – Post April 2009	2.5% pa	2.5% pa
Pension increases in payment – Fix 3%	3.0% pa	3.0% pa
Pension increases in payment – RPI, max 5%	3.3% pa	3.3% pa
Pension increases in payment – RPI, max 2.5%	2.4% pa	2.4% pa
Base mortality table	S2PMA/S2PFA	S2PMA/S2PFA

continued...

32. DEFINED BENEFIT PENSION SCHEME (Continued)

Post retirement mortality assumptions

The current life expectancies of a pensioner retiring aged 65 underlying the mortality tables of the schemes are as follows:

Life expectancies at age 65:	31.03.19 Years	31.03.18 Years
Current pensioners at retirement age – male	86.9	87.1
Current pensioners at retirement age – female	89.2	89.0
Future pensioners at retirement age – male	88.6	88.8
Future pensioners at retirement age – female	90.9	90.8

33. DEFINED CONTRIBUTION PENSION SCHEME

The group also contributed to a defined contribution pension scheme for the financial year as detailed below.

	31.03.19 £'000	31.03.18 £'000
Contribution during the year	1,331	1,472
Due to the pension provider at year end	423	2,178