Company Registration No. 02992795

SUN PHARMA UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

CONTENTS

Company information

DIRECTORS	Ms Hellen de Kloet Mr Prashant Savla Mr Brett Van Vliet
REGISTERED OFFICE	6-9 The Square Stockley Park Uxbridge, UB11 1FW
BANKERS	HSBC Bank Plc 92 Kensington High Street Kensington London W8 4SH
AUDITOR	PBG Associates Limited 65 Delamere Road Hayes Middlesex UB4 0NN
COMPANY NUMBER	02992795

REVIEW OF BUSINESS AND FUTURE DEVELOPMENT

Financial overview

Turnover for the year ended 31 March 2025 was £52.5m (2024: £50.7m), an increase of 3.6%. Gross profit for the year ended 31 March 2025 was £8.2m (2024: £6.7m), an increase of 22.3%. The profit before tax for the year was £1.36m compared to £0.9m during 2024.

Turnover

Turnover for the year increased by 3.6% compared to 2024. This is due to leveraging certain market opportunities that arose due to short supply of some key molecules as compared to last year. Third party sales remained consistently strong however there continues to be strong competition in existing molecules across the business.

Gross Profit

Gross profit increased by 22.3% compared to 2024 with an increase in gross margin from 13.2.% to 15.6%. The increase in gross profit margin is due to certain changes to the product mix as compared to last year. The company continues to focus on driving profitability by bringing new molecules to market.

Operating Costs

In line with strategy, resources continue to be utilised in bringing products to market from which the company will benefit in the years to come. The company continues to monitor its cost base to ensure that profitability is maximised. Administrative costs have decrease by 3.4% compared to last year and distribution costs have increased by 35% compared to 2024. The increase in distribution costs is a combination of increased costs on sales of non-contracted products and an increase in turnover compared to last year. Increase in administrative costs is mainly on account of increase in staff strength and recruitment costs.

Financial Position

The financial position of the company remains strong with net current assets (excluding deferred tax) of £20.4m (2024: £19.3m) and net assets of £20.4m (2024: £19.4m). This position is expected to strengthen in line with future strategy.

Strategy

The company continues to focus on delivering results. Resources have been directed to ensure that future product launches are forthcoming and that the company reaches the market at the earliest opportunity. This drive is expected to result in further product launches during the next financial year. The nature of the business will remain unchanged with focus on the UK market and the company will continue to identify and implement efficiencies and cost savings where possible to further improve profitability.

Key Performance Indicators

The company's key performance indicators are turnover and gross profit. The variances in these are set out above together with the reasons for the changes.

PRINCIPAL RISKS AND UNCERTAINTIES

The industry in which the company operates is subject to regulation. Potential future changes in such regulation may impact the company's ability to generate income, either through decreased revenues, increased expenditure or a combination of both. Failure to comply with relevant laws and regulations can potentially result in the suspension of sales. Management aims to mitigate such potential risk by monitoring for changes in the regulatory environment and where required implement procedures to ensure compliance. The company makes every effort to comply with relevant laws and regulations and internal reviews are conducted to ensure this. As a result, we believe the transition to any potential new legislation will have minimal impact on revenues.

The directors recognize that continued competition puts pressure on our prices and margins. We believe that continued investment in and close management of our product range will enable us to maintain and improve on performance.

Strong competition in the generics market results in increased customer credit risk. The company minimises this risk by monitoring customers on an account level basis.

Foreign exchange risk is mitigated as far as possible by hedging costs against income streams in respective currencies. Foreign exchange risk arises from the purchase of third party stocks in Euro. These stocks make up a relatively small proportion of total stocks.

Statement in respect of Section 172(1), Companies Act 2006

The directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders, and in doing so have regard, amongst other matters, to:

- The Likely consequences of any decision in the long term;
- The Interests of the company's employees;
- The Need to foster the company's business relationships with suppliers, partners and others;
- The Impact of the company operations on the community and the environment;
- The Desirability of the company maintaining a reputation for high standards of business conduct;
- The Need to act fairly as members of the company.

Stakeholders

The company is a wholly owned subsidiary of the ultimate parent**,** Sun Pharmaceutical Industries Limited, which is incorporated in India. The board of directors of the company are guided by the decisions taken by the ultimate parent and the core values of quality, ethical and legal behaviour in all our operations are at the core of our day-to-day operations.

The board of directors and employees are guided and uphold the principles contained in our code of conduct policy. The company's board of directors meet on a regular basis to discuss business performance and strategy.

Employees

The company's successful performance is built upon the dedication and engagement of a highly competent workforce. The company's vision is to attract and retain a talented workforce by providing and fostering an environment of diversity and inclusivity. Compensation and benefits program is designed and reviewed to ensure that resources are rewarded in line with industry standards. Regular surveys are conducted to involve employees in improvement measures and further empower them. This engagement survey is further followed up with focus group discussions to implement key changes.

Suppliers and Customers

Our suppliers help in bringing quality products to the market and staying current in accordance with the demands of the market. Even during the peak of COVID-19 pandemic, we have managed to supply all critical medicines on a timely basis and help patients in difficult times. We engage with our suppliers and keep them informed about any change in the business. The company also maintains a healthy payment plan and adheres to all payment terms for the suppliers. We are committed to providing a high-quality customer service and give them the confidence of relying on us.

Shareholders

The company is a wholly owned subsidiary, and all public shareholding activity is carried out by our ultimate parent company. More information can be found in the investor section of the corporate website at https://sunpharma.com/investors-investor-presentations/

This report was approved by the Board on 02May 2025.

On behalf of the Board

DocuSigned by:

Mr Prashant Savla

Director

Sun Pharma UK Limited

6-9 The Square

Stockley Park, Uxbridge, UB11 1FW

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the year ended 31 March 2025.

1. PRINCIPAL ACTIVITY

The company's principal activity comprises the distribution of generic and branded generic pharmaceuticals to wholesalers and pharmacy chains.

2. RESULTS AND DIVIDENDS

The directors report the result for the year as shown in the Statement of income and retained earnings on page 13.

The directors do not recommend the payment of a dividend (2024 - £nil).

3. DIRECTORS AND DIRECTORS' INTERESTS

The present directors of the company are set out on Page 2 .

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

Ms Hellen de Kloet

Mr Prashant Savla

Mr Brett Van Vliet

STRATEGIC REPORT

In accordance with section 414c (11) of the Companies Act 2006, the information relating to a review of the business and principal risks and uncertainties is included in the Strategic Report.

5. AUDITOR

Pursuant to Section 487 (2) of the Companies Act 2006, PBG Associates Limited has been appointed for the financial year ending March 2025.

6. ENVIRONMENTAL REPORT

Sun Pharma UK Limited's consumption of energy and carbon footprint for the annual reporting period 1 April 2024 to 31 March 2025 is presented in line with the UK government's Streamlined Energy and Carbon Reporting (SECR) guidelines.

Methodology

The emissions in this report have been calculated by following the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition). The operational control approach has been adopted to define the boundaries of the GHG inventory. This report covers emission from sources under Scope 1, Scope 2 and Scope 3. The company does not own any transport vehicles and only indirect emissions for business travel from personal cars (grey fleet) is covered under this report.

Energy consumption

	2025 kWh	2024 kWh
Gas	30,052	28,621
Electricity	40,421	31,815
Grey Fleet	1039	1,193
Total	71,512	61,629

Emissions of CO2 equivalent

	2025 metric tonnes	2024 metric tonnes
Scope 1		
Gas	5	5
Scope 2		
Electricity purchased	8	6
Scope 3		
Grey Fleet	12	14
Total Gross Emissions	25	25

Intensity ratio

Tonnes of CO2e per square metre 0.17 (2024 : 0.17)

Measures taken to improve energy efficiency

The main source of emission for the company is the serviced office premises in Stockley Park. We will make efforts to reduce energy consumption by regular portable appliance testing to ensure that excessive energy consumption is restricted due to any potential faulty appliances, encouraging employees to power-off instruments when these are not in use. We will also jointly explore the possibility with Stockley Park management of switching to more energy efficient LED lights within the office premises.

7. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC AND DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102, 'The Financial Reporting Standard' applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;

• make judgments and estimates that are reasonable and prudent;

• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

8. DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 02 May 2025.

On behalf of the Board

DocuSigned by:

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Mr Prashant Savla

Director

Sun Pharma UK Limited

6-9 The Square

Stockley Park

Uxbridge, UB1 11FW

Opinion

We have audited the financial statements of Sun Pharma UK Limited for the year ended 31 March 2025 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 ‘The Financial Reporting Standard Applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared are 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 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 6 to 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor'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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, UK taxation legislation, and the Medicines and Healthcare products Regulatory Agency, laws & Regulatory related to product safety, The European Medicine Agency, Anti bribery and competition law and other UK Tax legislation.

- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

For both direct and other laws and regulations, our procedures involve making enquiry of the directors of the Company for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees.

Our audit procedures included:

- Examining the supporting documents for all the material balance, transactions and disclosures.
- Enquiry of management and review and inspection of relevant correspondence
- Evaluation of selection and application of accounting policies.
- Analytical procedures to identify any unusual or unexpected relationship.
- Review of accounting estimates for biases.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of the instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Devender Arora ACA (Senior Statutory Auditor)

for and on behalf of PBG Associates Limited

Statutory Auditor

65 Delamere Road

Hayes

Middlesex UB4 0NN

02 May 2025

STATEMENT OF INCOME AND RETAINED EARNINGS
for the year ended 31 March 2025

	Notes	2025	2024
		£	£
Turnover	**3**	**52,527,284**	50,705,272
Cost of Sales		**(44,333,270)**	(44,004,831)
Gross Profit		**8,194,014**	6,700,441
Distribution costs		**(2,747,087)**	(2,035,813)
Administrative expenses		**(4,793,759)**	(4,353,209)
Other operating income	**4**	**536,715**	496,991
Operating profit	**4**	**1,189,883**	808,410
Interest receivable and similar income	**7**	**169,964**	122,918
Profit Before Taxation		**1,359,847**	931,328
Tax charge	**8**	**(341,940)**	(229,465)
Retained profit		**1,017,907**	701,863
Profit for the financial year and total comprehensive income		**1,017,907**	701,863
Accumulated loss at the start of the year		**2,318,032**	3,019,895
Accumulated loss at the end of the year		**1,300,125**	2,318,032

There were no recognised gains or losses other than the profit for the financial year. The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

The notes on pages 15-27 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	Notes		2025 £		2024 £
FIXED ASSETS					
Intangible assets	**9**		**40,134**		50,381
Tangible assets	**10**		**10,899**		9,250
			51,033		59,631
CURRENT ASSETS					
Stocks	**11**	**10,344,028**		7,578,074	
Debtors					
- due within one year	**12**	**12,676,478**		11,716,400	
- due after one year	**12**	**29,548**		22,124	
Cash at bank and in hand		**5,441,428**		3,455,228	
		28,491,482		22,771,826	
CREDITORS: amounts falling due within one year	**13**	**(8,092,640)**		(3,399,489)	
NET CURRENT ASSETS			**20,398,842**		19,372,337
TOTAL ASSETS LESS CURRENT LIABILITIES			**20,449,875**		19,431,968
CAPITAL AND RESERVES					
Share capital	**15**		**21,750,000**		21,750,000
Profit & Loss Account			**(1,300,125)**		(2,318,032)
TOTAL EQUITY SHAREHOLDERS' FUNDS			**20,449,875**		19,431,968

The notes on pages 15-27 form part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 02 May 2025.

DocuSigned by:

Mr Prashant Savla
Director

1. ACCOUNTING POLICIES

1.1 Company Information

Sun Pharma UK Limited is a private company limited by shares which is domiciled and incorporated in England and Wales. The registered office is 6-9 The Square, Stockley Park, Uxbridge, UB11 1FW.

Accounting Convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the requirements of the Companies Act 2006.

The financial statements have been prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest pound.

1.2 Reduced Disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

Section 7 'Statement of Cash Flows' and related notes and disclosures.

Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Disclosure of terms and conditions of related party debt.

1.3 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less accumulated amortisation. Amortisation is provided on all intangible fixed assets to write off the costs, less estimated residual value, of each asset on a straight line basis over its expected useful life. Product licences (third party), including the associated costs of research and data collection, are amortised over the term of the licence from the product launch date.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates estimated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Office equipment	5 years
Computer equipment & software	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and carrying value of the asset and is credited or charged to the income statement.

1.5 Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount and is recognised in the income statement.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use.

In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.

1.6 Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition. Cost is determined on a weighted average basis.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences.

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

The carrying amount of the deferred tax asset is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using the rates that have been enacted or substantively enacted by the reporting end date.

1.8 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow company companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Income Recognition

Turnover represents amounts receivable for goods net of trade discounts, VAT and other related taxes.

Turnover is recognised on delivery of goods to customers.

Turnover relating to distributor arrangements is net of accruals made for expected market price changes in accordance with terms agreed.

Other operating income is recognised on completion or performance of activities to the extent that settlement is probable. In the case of contractual licensing arrangements income is recognised where the rights to consideration have arisen on the performance of key milestones at a fair value of the service provided as a proportion of the total fair value of the contract.

1.12 Operating leases

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

1.13 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are recognised in the income statement.

1.14 Pensions

The company operates a defined contribution pension scheme for the benefit of the employees.

The assets of the scheme are administered by trustees in a fund independent from the company. Contributions payable to the scheme in respect of the accounting period are charged to the income statement.

1.15 Employee Benefits

The cost of short term employee benefits are recognised as a liability and an expense. The cost of unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. The financial position of the company, its liquidity position and borrowing facilities are also described in the Strategic Report together with principal risks and uncertainties affecting the business.

The company has sufficient current assets to cover its liabilities. As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the impact of the Covid-19 pandemic, and the measures taken to contain it, on the company and because of the nature of the company's activities they do not consider that there will be any significant effect on the ability of the company to continue in business and meet its liabilities as they fall due. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

While applying accounting policies described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that may not be apparent and readily available from other sources. Estimates and assumptions are based on past experience and any other relevant factors.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Stock Provision

The company assesses the value of stock for any impairment at the end of each reporting period. Management considers factors including batch expiry dates, historical experience of sales and orders held. See note 11 for the net carrying amount of stock and associated impairment provisions.

Deferred tax

Deferred tax assets are recognised when the Directors consider it is probable that they will be recovered against future taxable profits. The directors consider that in the forthcoming financial periods, based on forecast results, sufficient taxable profits will be generated to utilise the deferred tax assets included in the statement of financial position.

Bad Debt Provision

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the aged profile of debtors and historical experience. See note 12 for the net carrying amount of debtors and associated impairment provisions.

Bonus Provision

The company operates a bonus scheme for most employees based on achieving certain business results as well as personal metrics. The accounts include a provision for the bonuses due for the year based on the latest assessment of the likelihood of relevant employees achieving their set goals and targets.

2. ANALYSIS OF TURNOVER

The analysis of turnover, all derived from the sale of generic pharmaceutical products, was as follows:

Turnover by geographical destination

	2025	2024
	£	£
UK	**52,527,284**	50,705,272
Rest of Europe	**-**	-
Total	**52,527,284**	50,705,272

4. OPERATING PROFIT

	2025	2024
Operating Profit is stated after charging/(crediting):	£	£
Depreciation of tangible fixed assets	**5,374**	4,308
Amortisation on Intangible Assets	**10,247**	834
Foreign exchange loss	**28,897**	21,783
Inventories recognised as an expense	**44,333,270**	44,004,831
Operating lease rental of building including service charges	**131,576**	113,890
Amounts payable to the auditors, in respect of:		
Audit of these financial statements	**25,500**	25,500
Audit - related assurance services	**7,500**	24,750
Tax and other services	**6,000**	14,310
Other operating income includes:		
Management Services	**521,934**	496,991
Others	**14,781**	-
	536,715	496,991

5. DIRECTORS' EMOLUMENTS

	2025	2024
	£	£
Emoluments for the directors during the year were:		
Remuneration for services as director	**188,591**	174,379
	188,591	174,379

Directors were also remunerated by fellow group companies. Where remuneration was paid to directors by fellow group companies it did not include any amounts in respect of qualifying services for Sun Pharma UK Limited and is not included above.

The remuneration of key management personnel who are also directors is £188,591 (2024 : £174,379).

6. EMPLOYEE NUMBERS AND REMUNERATION

	2025	2024
Aggregate payroll costs, including directors, were as follows:	**£**	£
Wages and salaries	**1,818,754**	1,579,687
Social security costs	**205,664**	183,564
Pension costs	**159,209**	146,806
	2,183,627	1,910,057

As at the balance sheet date, pension contributions amounting to £21,744 (2024: £19,480) were included in other creditors.

Average monthly number of employees, analysed by category was as follows:

	2025	2024
	Nos.	Nos.
Sales	**6**	5
Administration	**15**	16
	21	21

7. INTEREST AND SIMILAR INCOME

	2025	2024
	£	£
Interest on Bank Deposits	**169,964**	122,918
	169,964	122,918

8. TAXATION

	2025	2024
	£	£
UK corporation tax on profits for the current period	**336,090**	232,037
Adjustment in respect of prior years	**2,676**	-
Current year tax charge	**338,766**	232,037
Deferred tax charge (see note 14)	**3,174**	(2,572)
Total tax charge	**341,940**	229,465

Factors affecting the tax charge for the year.

The tax assessed for the year was at the standard rate of corporation tax in the United Kingdom at 25% (2024: 25%)

The difference is explained as follows:

	2025	2024
Profit on ordinary activities before taxation	**1,359,847**	931,328
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom at 25% (2024: 25%)	**339,962**	232,832
Effect of:		
Expenses not deductible for tax purposes	**(698)**	4,063
Deferred tax provided at different rate	**-**	(7,430)
Adjustment for previous year tax	**2,676**	-
Tax expense for the year.	**341,940**	229,465

9. INTANGIBLE FIXED ASSETS

	Product Licences
At Cost	**£**
As at 1 April 2024	219,855
Additions	-
As at 31 March 2025	**219,855**
Amortisation and impairment	
As at 1 April 2025	169,474
Additions	10,247
As at 31 March 2025	**179,721**
Net book value :	
31 March 2025	**40,134**
31 March 2024	50,381

10. TANGIBLE FIXED ASSETS

	Office equipment	Computer equipment & software	Total
	£	**£**	**£**
At Cost:			
1 April 2024	18,792	65,164	83,956
Additions	-	7,337	7,337
Disposals	-	(868)	(868)
31 March 2025	**18,792**	**71,633**	**90,425**
Depreciation:			
1 April 2024	**17,570**	**57,136**	**74,706**
Charge for the year	316	5,058	5,374
Disposals	-	(554)	(554)
31 March 2025	**17,886**	**61,640**	**79,526**
Net book value :			
31 March 2025	**906**	**9,993**	**10,899**
31 March 2024	1,222	8,028	9,250

11. STOCKS

	2025	2024
	£	£
Finished goods held for resale (Net of Provision)*	**10,344,028**	7,578,074

*Stocks are stated after provision for impairment of £1,984,422 (2024 : £1,677,955).

12. DEBTORS:

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	**12,381,388**	11,384,574
Amounts due from group undertakings	**178,432**	224,097
Other debtors	**6,455**	6,010
Prepayments and accrued income	**91,008**	79,116
Deferred tax (see note 14)	**19,195**	22,603
	12,676,478	11,716,400
Amounts falling due after more than one year:		
Other debtors	**25,816**	18,626
Deferred tax (see note 14)	**3,732**	3,498
	29,548	22,124

Trade debtors are stated after provisions for impairment of £2,673 (2024 : £480,680).

13. CREDITORS: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	**665,198**	483,308
Amounts owed to group undertakings	**4,478,284**	789,100
Corporation tax	**86,090**	231,537
Social security costs and other taxes	**1,912,565**	1,133,800
Other creditors	**24,469**	21,593
Accruals and deferred income	**926,034**	740,151
	8,092,640	3,399,489

The company has a bank overdraft facility and a composite facility available to use which is secured by a fixed and floating charge over all assets. Interest is charged at 1% over the bank's base rate. Neither facility was utilised during the year.

14. DEFERRED TAXATION

	2025	2024
	£	£
At 1 April 2024	**26,101**	23,529
Movement in the year	**(3,174)**	2,572
At 31 March 2025	**22,927**	26,101

Deferred taxation included in the financial statements is set out below:

	2025	2024
	£	£
Deferred tax asset (liability):		
Decelerated capital allowances	**3,732**	3,498
Other timing differences	**19,195**	22,603
	22,927	26,101

15. SHARE CAPITAL

	2025	2024
	£	£
Called up, allotted and fully paid (21,750,000 ordinary shares of £1 each)	**21,750,000**	21,750,000

16. FUTURE FINANCIAL COMMITMENTS

Operating Leases

At the reporting end date the company had the following commitments for future minimum lease payments under non- cancellable operating leases which fall due as follows:

	2025	2024
	£	£
Within one year	**154,896**	79,944
In two to five years time	**90,356**	-
	245,252	79,944

17. TRANSACTIONS WITH RELATED PARTIES

The company has elected to apply the exemption under Paragraph 33.1A of FRS102 from the requirement to disclose transactions with other group companies on the grounds that all of their voting rights are controlled by Sun Pharmaceutical Industries Ltd, the ultimate parent undertaking.

See note 5 for disclosure of the directors' remuneration and key management compensation.

18. LEGAL PROCEEDINGS

Fine imposed for anti-competitive settlement agreement by European Commission:

On March 25, 2021, the Court of Justice of the European Union (“CJEU”) issued a final judgment and upheld the fine against Sun Pharma UK Limited (erstwhile known as Ranbaxy (U.K.) Limited) in full and ruled that the European Commission’s (“EC”) decision dated June 19, 2013 that a settlement agreement between Ranbaxy and Lundbeck had been anti-competitive.
The Company may now be subject to “follow-on” claims in national courts of some countries in Europe. The Company has recently been served with a claim in the United Kingdom, however the claim does not currently detail how the quantum of any purported damages is carved out between the various defendants. Accordingly, the Company is currently unable to estimate the potential liability which may arise on account of follow-on claims. The Company also believes, based on its internal assessment and that of its independent legal counsel, that it has favourable legal arguments in terms of defending the relevant claim and any potential future damages claim.

19. ULTIMATE HOLDING COMPANY

The Company's shares are wholly owned by Sun Pharma (Netherlands) B.V. whose ultimate parent company is Sun Pharmaceutical Industries Ltd.

The smallest and largest group in which the results of the company are consolidated is that of Sun Pharmaceutical Industries Ltd., incorporated in India. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary at the Sun Pharma Advanced Research Centre (SPARC), Tandalja, Akota Road, Vadodra - 390020, Gujarat, India.

The ultimate controlling party of Sun Pharmaceutical Industries Ltd. is Mr Dilip Shanghvi and his relatives along with persons acting in concert.