

REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018
FOR
ONYX SCIENTIFIC LIMITED

ONYX SCIENTIFIC LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	5
Balance Sheet	6
Notes to the Financial Statements	7
Trading and Profit and Loss Account	12

ONYX SCIENTIFIC LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS:	Mrs D Bowser Dr D J Londesbrough N V Lane P Godha
REGISTERED OFFICE:	Units 97-98 Silverbriar Sunderland Enterprise Park East Sunderland Tyne and Wear SR5 2TQ
REGISTERED NUMBER:	03947634 (England and Wales)
AUDITORS:	Leasing Marrison Lee Limited Chartered Certified Accountants Statutory Auditors 46 Main Street Mexborough South Yorkshire S64 9DU
BANKERS:	HSBC 33 Park Row Leeds West Yorkshire LS1 1LD

ONYX SCIENTIFIC LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

Mrs D Bowser
Dr D J Londesbrough
N V Lane
P Godha

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

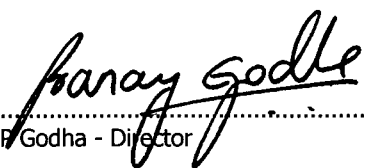
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

AUDITORS

The auditors, Leasing Marrison Lee Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Paray Godha - Director

Date: 10 MAY 2018
.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ONYX SCIENTIFIC LIMITED**

Opinion

We have audited the financial statements of Onyx Scientific Limited (the 'company') for the year ended 31 March 2018 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 the provisions available for small entities, in the circumstances set out in note seventeen to the financial statements, 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 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ONYX SCIENTIFIC LIMITED**

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 Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

Our responsibilities for the audit of the financial statements

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

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



Robert Tippett FCCA (Senior Statutory Auditor)
for and on behalf of Leesing Marrison Lee Limited
Chartered Certified Accountants
Statutory Auditors
46 Main Street
Mexborough
South Yorkshire
S64 9DU

28 May 2018

ONYX SCIENTIFIC LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
TURNOVER	3	6,177,146	5,629,540
Cost of sales		<u>2,779,617</u>	<u>2,554,093</u>
GROSS PROFIT		3,397,529	3,075,447
Administrative expenses		<u>1,841,090</u>	<u>2,072,419</u>
		1,556,439	1,003,028
Other operating income		<u>15,845</u>	<u>10,274</u>
OPERATING PROFIT	5	1,572,284	1,013,302
Interest receivable and similar income		<u>702</u>	<u>5</u>
PROFIT BEFORE TAXATION		1,572,986	1,013,307
Tax on profit	6	<u>161,095</u>	<u>(290,080)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,411,891</u></u>	<u><u>1,303,387</u></u>

The notes form part of these financial statements

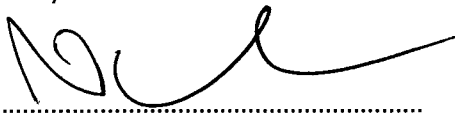
ONYX SCIENTIFIC LIMITED (REGISTERED NUMBER: 03947634)

BALANCE SHEET
31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		1,094,192		858,726
Investments	9		720,935		-
			<u>1,815,127</u>		<u>858,726</u>
CURRENT ASSETS					
Stocks		609,767		386,739	
Debtors	10	1,081,610		2,150,747	
Cash at bank and in hand		720,158		1,401,400	
		<u>2,411,535</u>		<u>3,938,886</u>	
CREDITORS					
Amounts falling due within one year	11	1,091,009		995,944	
NET CURRENT ASSETS			<u>1,320,526</u>		<u>2,942,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,135,653</u>		<u>3,801,668</u>
PROVISIONS FOR LIABILITIES	13		<u>104,827</u>		<u>218,270</u>
NET ASSETS			<u><u>3,030,826</u></u>		<u><u>3,583,398</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		368,122		368,122
Share premium			12,358		12,358
Retained earnings			2,650,346		3,202,918
SHAREHOLDERS' FUNDS			<u><u>3,030,826</u></u>		<u><u>3,583,398</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

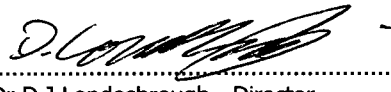
Approved and authorised for issue by the Board of Directors on 10th MAY 2018 and were signed on its behalf by:



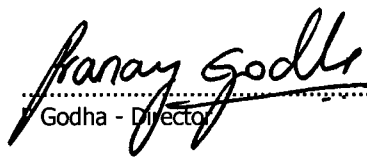
.....
N V Lane - Director



.....
Mrs D Bowser - Director



.....
Dr D J Londebrough - Director



.....
Godha - Director

ONYX SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. STATUTORY INFORMATION

Onyx Scientific 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 Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 10% on cost
Plant and machinery	- at varying rates on cost and at variable rates on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Investments in associates

Investments in associate undertakings are recognised at cost.

Research and development

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

Foreign currencies

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Grants

Grants relating to revenue items are credited to the Profit and Loss Account in the same accounting period as the expenditure to which the grant relates. Grants in respect of Capital items are credited to the Profit and Loss Account over the same period as the asset to which the grant relates is written off.

Stocks

Stocks and work in progress are valued at cost, determined on a first in first out basis, after making the appropriate allowance for obsolete and slow moving items.

Cost of work in progress consists of direct costs and an appropriate proportion of fixed and variable overheads.

Deferred tax

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

ONYX SCIENTIFIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2018	2017
United Kingdom	82.00%	90.35%
North America	3.00%	1.05%
Europe & Rest of World	15.00%	8.60%
	<u>100.00%</u>	<u>100.00%</u>

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 52 (2017 - 52).

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	208,797	165,973
Auditors' remuneration	6,550	6,025
Pension costs	112,942	107,368

In addition to being remunerated for audit work the auditors charged for payroll services in the amount of £2,745.

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	150,200	(30,755)
Under provision prior year	124,338	-
Over provision in prior year	-	(403,450)
Total current tax	274,538	(434,205)
Deferred tax	(113,443)	144,125
Tax on profit	<u>161,095</u>	<u>(290,080)</u>

UK corporation tax has been charged at 19% (2017 - 20%).

7. DIVIDENDS

	2018	2017
	£	£
Ordinary shares of £1	<u>1,964,463</u>	<u>368,122</u>

ONYX SCIENTIFIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2017	981,483	3,177,501	41,008	122,726	4,322,718
Additions	61,616	371,089	4,365	9,055	446,125
Disposals	-	-	-	(49,841)	(49,841)
At 31 March 2018	<u>1,043,099</u>	<u>3,548,590</u>	<u>45,373</u>	<u>81,940</u>	<u>4,719,002</u>
DEPRECIATION					
At 1 April 2017	805,233	2,536,036	33,241	89,482	3,463,992
Charge for year	38,669	156,856	3,188	10,084	208,797
Eliminated on disposal	-	-	-	(47,979)	(47,979)
At 31 March 2018	<u>843,902</u>	<u>2,692,892</u>	<u>36,429</u>	<u>51,587</u>	<u>3,624,810</u>
NET BOOK VALUE					
At 31 March 2018	<u>199,197</u>	<u>855,698</u>	<u>8,944</u>	<u>30,353</u>	<u>1,094,192</u>
At 31 March 2017	<u>176,250</u>	<u>641,465</u>	<u>7,767</u>	<u>33,244</u>	<u>858,726</u>

9. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
Additions	720,935
At 31 March 2018	<u>720,935</u>
NET BOOK VALUE	
At 31 March 2018	<u>720,935</u>

During the year the Company has acquired 10% common stock of Pisgah Laboratories Inc. (Pisgah) based out of North Carolina, USA. Pisgah was originally founded in the year 1981 as a contract manufacturer and developer of active pharmaceutical ingredients (APIs) and intermediates and has been a chemistry solutions provider for over three decades. This acquisition will help the Company to establish its foothold in the US market (including but not limited to) in the field of research / small volume APIs and intermediates manufacturing. Pisgah will continue to operate out of its North Carolina manufacturing facility under the Pisgah trade name.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	978,444	669,930
Amounts owed by group undertakings	-	942,824
Other debtors	28,539	28,539
Tax	-	434,205
Prepayments	74,627	75,249
	<u>1,081,610</u>	<u>2,150,747</u>

ONYX SCIENTIFIC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	287,913	375,556
Corporation Tax	150,200	-
Social security and other taxes	46,600	44,988
VAT	60,685	53,543
Other creditors	147,640	405
Accrued expenses	397,971	515,331
Deferred government grants	-	6,121
	<u>1,091,009</u>	<u>995,944</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	2,435	3,009
Between one and five years	151,250	112,969
	<u>153,685</u>	<u>115,978</u>

13. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>104,827</u>	<u>218,270</u>
		Deferred tax
		£
Balance at 1 April 2017		218,270
Accelerated capital allowances		15,418
Other		(124,155)
Rate change		<u>(4,706)</u>
Balance at 31 March 2018		<u>104,827</u>

The other deferred tax credit for the year of £124,155 is the reversal of the provision made in 2017 for the corporation tax payable on the Research & Development Expenditure Credit.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
368,122	Ordinary	£1	<u>368,122</u>	<u>368,122</u>

15. CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for in the financial statements	<u>67,197</u>	<u>70,626</u>

ONYX SCIENTIFIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

16. RELATED PARTY DISCLOSURES

The entire share capital of the company is owned by Ipca Laboratories (UK) Limited.

Ipca Laboratories (UK) Limited

During the year to 31 March 2018, Ipca Laboratories (UK) Limited was paid a dividend amounting to £1,964,463 (2017 management fee: £360,000, dividend £368,122).

At the balance sheet date, an amount of £nil (2017: £4,000) was due by the company.. At the same date, there is also an inter-company loan balance of £nil (2015: £942,823) due to the company.

17. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities , assist with the preparation of the financial statements and payroll services.

18. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Ipca Laboratories (UK) Limited, which is a wholly owned subsidiary of Ipca Laboratories Limited, a company listed on the Bombay stock exchange and National stock exchange of India.

ONYX SCIENTIFIC LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	2018		2017	
	£	£	£	£
Sales		6,177,146		5,629,540
Cost of sales				
Opening stock	64,531		66,287	
Opening work in progress	322,208		323,585	
Purchases	1,049,383		747,394	
Analytical and laboratory consumables	84,323		87,732	
Transport and packing	49,920		46,927	
General chemicals	183,099		152,357	
Safety consumables	42,864		40,033	
N M R consumables	190		2,061	
G M P consumables	2,630		3,182	
Solid State consumables	10,657		12,355	
Wages	1,317,015		1,209,265	
Social security	129,425		114,075	
Pensions	57,072		49,469	
Analytical services	76,067		86,110	
	<hr/>		<hr/>	
Closing stock	3,389,384		2,940,832	
Closing work in progress	(38,721)		(64,531)	
	<hr/>		<hr/>	
		2,779,617		2,554,093
GROSS PROFIT		3,397,529		3,075,447
Other income				
Royalties received	9,724		-	
Grant	6,121		10,274	
Interest on Taxation	702		5	
	<hr/>		<hr/>	
		16,547		10,279
		<hr/>		<hr/>
		3,414,076		3,085,726
Expenditure				
Directors' salaries	331,973		272,534	
Directors' social security	39,838		35,347	
Directors' pension contributions	43,876		50,375	
Wages	209,846		220,209	
Social security	22,460		23,878	
Pensions	11,994		7,524	
Rent	92,968		65,625	
Rates and water	107,220		90,582	
Insurance	49,523		49,848	
Light and heat	109,587		112,624	
Building services	89,849		85,538	
Vehicle Hire	3,513		3,602	
Telephone	10,425		9,539	
Post and stationery	10,529		11,636	
Advertising	44,325		45,965	
Motor expenses	656		615	
Repairs and renewals	344,616		251,969	
Computer expenses	42,608		35,950	
Technical literature	425		2,181	
Sundry expenses	25,833		22,692	
Professional charges	35,417		106,303	
Management charge	-		360,000	
Accountancy	2,745		2,439	
	<hr/>		<hr/>	
Carried forward	1,630,226	3,414,076	1,866,975	3,085,726

This page does not form part of the statutory financial statements

ONYX SCIENTIFIC LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	2018		2017	
	£	£	£	£
Brought forward	1,630,226	3,414,076	1,866,975	3,085,726
Healthcare costs	10,058		10,652	
Recruitment expenses	2,703		8,119	
Seminars and course fees	6,152		4,464	
Auditors' remuneration	6,550		6,025	
Currency exchange differences	(29,894)		7,263	
Profit/loss on sale of tangible fixed assets	1,862		-	
Entertainment	744		-	
	<hr/>	1,628,401	<hr/>	1,903,498
		<hr/>		<hr/>
		1,785,675		1,182,228
Finance costs				
Bank charges		3,891		2,948
		<hr/>		<hr/>
		1,781,784		1,179,280
Depreciation				
Improvements to property	38,669		37,544	
Plant and machinery	160,045		118,204	
Computer equipment	10,084		10,225	
	<hr/>	208,798	<hr/>	165,973
NET PROFIT		<hr/> <hr/>		<hr/> <hr/>
		1,572,986		1,013,307