

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial statements for the year ended 31 March 2018

These financial statements were prepared by:

GNR Auditors

These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Issued 18 May 2018

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Registration of and trading in pharmaceutical products
Directors	I.F. Oliver S.P Mody
Registered office	1st Floor Pinewood Park Lonsdale Road Pinelands 7405
Holding company	Unichem Laboratories Ltd incorporated in India
Bankers	Standard Bank of South Africa Ltd
Auditors	GNR Auditors Chartered Accountants (SA) Registered Auditors
Company registration number	2000/012469/07
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were internally compiled by: GNR Auditors

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Index

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6 - 7
Statement of Financial Position	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 16
Notes to the Financial Statements	17 - 22
The following supplementary information does not form part of the financial statements and is unaudited:	
Detailed Income Statement	23

Preparer

GNR Auditors

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2019 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The financial statements set out on pages 8 to 23, which have been prepared on the going concern basis, were approved by the board on 18 May 2018 and were signed on their behalf by:

Approval of financial statements


I.F. Oliver

18 May 2018



☎ 018 293 2726
☎ 018 462 8039 (Klerksdorp)
☎ 018 293 2753
☎ 018 462 8245 (Klerksdorp)
E-mail: admin@gnrauditors.co.za
E-mail: klerksdorp@gnrauditors.co.za

Peter Mokaba Avenue 86
Potchefstroom
2531

✉ 6646
Bailliepark
2526

Independent Auditor's Report

To the shareholder of Unichem SA (Pty) Ltd

Opinion

We have audited the financial statements of Unichem SA (Pty) Ltd set out on pages 8 to 22, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Unichem SA (Pty) Ltd as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

Independent Auditor's Report

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, 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 International Standards on Auditing 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.

As part of an audit in accordance with International Standards on Auditing, 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 purpose 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 the directors 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.


GNR Auditors
M Rademeyer (CA) SA
Partner
Chartered Accountants (SA)
Registered Auditors

18 May 2018
Potchefstroom

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Unichem SA (Pty) Ltd for the year ended 31 March 2018.

1. Incorporation

The company was incorporated on 20 June 2000 and obtained its certificate to commence business on the same day.

2. Nature of business

Unichem SA (Pty) Ltd was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Share capital

Authorised			2018	2017
Ordinary shares			Number of shares	Number of shares
			25,000	25,000
Issued	2018	2017	2018	2017
Ordinary shares	R	R	Number of shares	Number of shares
	190,000	190,000	190,000	19,000

There have been no changes to the authorised or issued share capital during the year under review.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality
I.F. Oliver	Non-executive	South Africa
S.P. Mody	Executive	India

6. Holding company

The company's holding company is Unichem Laboratories Ltd which holds 100% (2017: 100%) of the company's equity. Unichem Laboratories Ltd is incorporated in India.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Directors' Report

9. Auditors

GNR Auditors continued in office as auditors for the company for 2018.

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Statement of Financial Position as at 31 March 2018

	Note(s)	2018 R	2017 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	13,135	18,172
Deferred tax		152,660	183,005
		165,795	201,177
Current Assets			
Trade and other receivables	3	836,209	2,662,025
Cash and cash equivalents	4	2,424,673	516,738
		3,260,882	3,178,763
Total Assets		3,426,677	3,379,940
Equity and Liabilities			
Equity			
Share capital	5	190,000	190,000
Accumulated loss		(321,869)	(399,896)
		(131,869)	(209,896)
Liabilities			
Current Liabilities			
Trade and other payables	6	3,558,546	3,589,836
Total Equity and Liabilities		3,426,677	3,379,940

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2018 R	2017 R
Revenue	7	7,713,701	13,028,547
Cost of sales		(5,596,732)	(11,220,436)
Gross profit		2,116,969	1,808,111
Other operating gains (losses)		-	16,991
Other operating expenses		(2,008,597)	(1,533,429)
Operating profit		108,372	291,673
Profit before taxation		108,372	291,673
Taxation	8	(30,345)	183,005
Profit for the year		78,027	474,678
Other comprehensive income		-	-
Total comprehensive income for the year		78,027	474,678

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Statement of Changes in Equity

	Share capital	Accumulated loss	Total equity
	R	R	R
Balance at 01 April 2016	190,000	(874,574)	(684,574)
Loss for the 12 months	-	474,678	474,678
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	474,678	474,678
Balance at 01 April 2017	190,000	(399,896)	(209,896)
Profit for the year	-	78,027	78,027
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	78,027	78,027
Balance at 31 March 2018	190,000	(321,869)	(131,869)
Note(s)	5		

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Statement of Cash Flows

	Note(s)	2018 R	2017 R
Cash flows from operating activities			
Cash generated from/(used in) operations	9	1,907,935	(1,103,286)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(7,495)
Cash flows from financing activities			
Total cash movement for the year		1,907,935	(1,110,781)
Cash at the beginning of the year		516,738	1,627,519
Total cash at end of the year	4	2,424,673	516,738

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Accounting Policies

Corporate information

Unichem SA (Pty) Ltd is a private company incorporated and domiciled in South Africa.

The financial statements for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on .

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the company is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Major spare parts and stand by equipment which are expected to be used for more than one year are included in property, plant and equipment.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Accounting Policies

1.1 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Assets which the company holds for rentals to others and subsequently routinely sells as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.2 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Accounting Policies

1.2 Financial instruments (continued)

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Loans to (from) group companies

These include loans to and from holding companies and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Accounting Policies

1.3 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.4 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.5 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.6 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.7 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Accounting Policies

1.8 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Notes to the Financial Statements

	2018	2017
	R	R

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Office equipment	21,240	(8,697)	12,543	21,240	(4,449)	16,791
IT equipment	2,367	(1,775)	592	2,367	(986)	1,381
Total	23,607	(10,472)	13,135	23,607	(5,435)	18,172

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Total
Office equipment	16,791	(4,248)	12,543
IT equipment	1,381	(789)	592
	18,172	(5,037)	13,135

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions through business combinations	Depreciation	Total
Office equipment	12,170	7,495	(2,874)	16,791
IT equipment	2,170	-	(789)	1,381
	14,340	7,495	(3,663)	18,172

3. Trade and other receivables

Trade receivables	836,209	2,662,025
-------------------	---------	-----------

Split between non-current and current portions

Current assets	836,209	2,662,025
----------------	---------	-----------

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	2,424,673	516,738
---------------	-----------	---------

5. Share capital

Authorised

25000 Ordinary shares of R10 each	250,000	250,000
-----------------------------------	---------	---------

Issued

Ordinary	190,000	190,000
----------	---------	---------

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Notes to the Financial Statements

	2018 R	2017 R
6. Trade and other payables		
Trade payables	3,451,870	3,557,934
VAT	106,676	31,902
	3,558,546	3,589,836
7. Revenue		
Sale of goods	7,713,701	13,028,547
8. Taxation		
Major components of the tax expense		
Deferred		
Arising from assessed tax losses	30,345	(183,005)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	108,372	291,673
Tax at the applicable tax rate of 28% (2017: 28%)	30,344	81,668
No provision has been made for 2018 tax as the company has no taxable income.		
9. Cash generated from/(used in) operations		
Profit before taxation	108,372	291,673
Adjustments for:		
Depreciation and amortisation	5,037	3,663
Gains on foreign exchange	-	(16,991)
Changes in working capital:		
Trade and other receivables	1,825,816	(2,016,467)
Trade and other payables	(31,290)	634,836
	1,907,935	(1,103,286)

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Notes to the Financial Statements

	2018 R	2017 R
10. Related parties		
Relationships		
Holding company		Unichem Laboratories Ltd
Fellow subsidiaries		Unichem Laboratories Ltd, Ireland
Members of key management		IF Oliver SP Mody
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Unichem Laboratories Ltd payable	(3,405,095)	(3,258,295)
Unichem Laboratories India have subordinated its claim against Unichem SA (Pty) Ltd until the company's assets, fairly valued, exceeds its liabilities.		
Unichem Laboratories Ltd receivable	24,469	111,655
Related party transactions		
Purchases from (sales to) related parties		
Unichem Laboratories Ltd	5,596,732	11,220,436
Unichem Laboratories Ltd	(350,510)	(111,655)
11. Directors' emoluments		
Non-executive		
2018		
Fees	Directors' fees 300,000	Total 300,000
2017		
Fees	Directors' fees 260,000	Total 260,000

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Notes to the Financial Statements

12. Categories of financial instruments

Categories of financial instruments - 2018

Assets

Non-Current Assets	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Property, plant and equipment	2	-	-	-	-	13,135	13,135
Deferred tax		-	-	-	-	152,660	152,660
		-	-	-	-	165,795	165,795

Current Assets

Trade and other receivables	3	-	836,209	-	-	-	836,209
Cash and cash equivalents	4	-	2,424,673	-	-	-	2,424,673
		-	3,260,882	-	-	-	3,260,882
Total Assets		-	3,260,882	-	-	165,795	3,426,677

Equity and Liabilities

Equity

Equity Attributable to Equity Holders of Parent:							
Share capital	5	-	-	-	-	190,000	190,000
Retained income	5	-	-	-	-	(321,869)	(321,869)
		-	-	-	-	(131,869)	(131,869)
Total Equity		-	-	-	-	(131,869)	(131,869)

Liabilities

Current Liabilities

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Notes to the Financial Statements

12. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Trade and other payables	6	-	-	3,451,869	-	106,676	3,558,545
Total Liabilities		-	-	3,451,869	-	106,676	3,558,545
Total Equity and Liabilities		-	-	3,451,869	-	(25,193)	3,426,676

Categories of financial instruments - 2017

Assets

Non-Current Assets							
Property, plant and equipment	2	-	-	-	-	18,172	18,172
Deferred tax		-	-	-	-	183,005	183,005
Total Assets		-	-	-	-	201,177	201,177

Current Assets

Trade and other receivables	3	-	2,662,025	-	-	-	2,662,025
Cash and cash equivalents	4	-	516,738	-	-	-	516,738
Total Assets		-	3,178,763	-	-	-	3,178,763
Total Assets		-	3,178,763	-	-	201,177	3,379,940

Equity and Liabilities

Equity							
Equity Attributable to Equity Holders of Parent:							
Share capital	5	-	-	-	-	190,000	190,000
Retained income	5	-	-	-	-	(399,896)	(399,896)
Total Equity and Liabilities		-	-	-	-	(209,896)	(209,896)

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Notes to the Financial Statements

12. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non financial assets and liabilities	Total
Total Equity		-	-	-	-	(209,896)	(209,896)
Liabilities							
Current Liabilities							
Trade and other payables	6	-	-	3,557,934	-	31,902	3,589,836
Total Liabilities		-	-	3,557,934	-	31,902	3,589,836
Total Equity and Liabilities		-	-	3,557,934	-	(177,994)	3,379,940

13. Going concern

We draw attention to the fact that at 31 March 2018, the company had accumulated losses of R (321,869) and that the company's total liabilities exceed its assets by R (131,869).

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 10 of these financial statements will remain in force for so long as it takes to restore the solvency of the company.

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2018

Detailed Income Statement

	Note(s)	2018 R	2017 R
Revenue			
Sale of goods		7,713,701	13,028,547
Cost of sales			
Purchases		(5,596,732)	(11,220,436)
Gross profit		2,116,969	1,808,111
Other operating gains (losses)			
Foreign exchange gains		-	16,991
Other operating expenses			
Auditors remuneration - external auditors		(31,350)	(11,300)
Bank charges		(9,240)	(15,342)
Computer expenses		-	(525)
Consulting and professional fees - accounting		(4,250)	(3,625)
Consulting and professional fees - legal fees		(13,186)	-
Depreciation		(5,037)	(3,663)
Employee costs		(307,900)	(261,200)
Medicine Control Council Annual fees		(57,000)	(48,500)
Registration fees		(34,330)	(10,967)
Pharmaceutical testing		(9,662)	(11,561)
Pharmaceutical Regulatory		(65,343)	(95,365)
Lease rentals on operating lease		(1,035,378)	(718,145)
Medical expenses		(179,850)	(14,987)
Municipal expenses		-	(329)
Printing and stationery		(10,395)	(500)
Repairs and maintenance		(9,977)	(18,277)
Subscriptions		-	(3,812)
Telephone and fax		(1,829)	(1,725)
Training		(10,019)	(8,748)
Transport and freight		-	(10,930)
Travel - local		(221,952)	(291,391)
		(1,899)	(2,537)
		(2,008,597)	(1,533,429)
Profit before taxation		108,372	291,673
Taxation	8	(30,345)	183,005
Profit for the year		78,027	474,678