

# **Unichem SA (Pty) Ltd**

**(Registration number 2000/012469/07)**

## **Financial statements for the year ended 31 March 2024**

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

Issued 29 April 2024

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Registration of and trading in pharmaceutical products
<b>Directors</b>	I.F. Oliver P. Godha
<b>Holding company</b>	Unichem Laboratories Ltd incorporated in India
<b>Auditors</b>	GNR Auditors Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	2000/012469/07
<b>Level of assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Preparer</b>	The financial statements were independently compiled by: RMC Auditors

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

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The reports and statements set out below comprise the financial statements presented to the shareholder:

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### **Preparer**

RMC Auditors

### **Published**

29 April 2024

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## Directors' Responsibilities and Approval

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The directors are required in terms of the Companies Act of South Africa 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 2025 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 7 to 28, which have been prepared on the going concern basis, were approved by the board on 29 April 2024 and were signed on their behalf by:

### Approval of financial statements



I.F. Oliver

29 April 2024



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## Independent Auditor's Report

To the Shareholder of Unichem SA (Pty) Ltd

### Opinion

We have audited the financial statements of Unichem SA (Pty) Ltd (the company) set out on pages 7 to 27, which comprise the statement of financial position as at 31 March 2024, 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 material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Unichem SA (Pty) Ltd as at 31 March 2024, 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 of South Africa.

### 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Completeness of revenue</b>	
Management issues a revenue invoice for all products purchased from Unichem Laboratories Limited and landed in South Africa.	We obtained a purchase listing from management and confirmed the listing with Unichem Laboratories Limited, thus confirming the completeness of purchases.
Unichem SA (Pty) Ltd's trading model is to only import products that are ordered by their customers and not to hold inventory, except if there is an unfinished transaction over a period end.	For a sample of purchases, including transactions near year end, we ensured that the products have been cleared as arrived in South Africa by the Customs Authority and have been sold to a customer in South Africa.
Such imported products are then sold to customers upon landing in South Africa and completion of analytical testing.	
Management concluded that all products landed and cleared have been sold at year end.	Based on our work performed we come to the same conclusion as management.

# Independent Auditor's Report

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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Unichem SA (Pty) Ltd financial statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 28. The 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.

## 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 of South Africa, 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**

**29 April 2024**  
**Potchefstroom**

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## Directors' Report

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The directors have pleasure in submitting their report on the financial statements of Unichem SA (Pty) Ltd for the year ended 31 March 2024.

### 1. 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 of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

### 2. Share capital

<b>Authorised</b>			<b>2024</b>	<b>2023</b>
			<b>Number of shares</b>	<b>Number of shares</b>
Ordinary shares			250,000	250,000

  

<b>Issued</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>R</b>	<b>R</b>	<b>Number of shares</b>	<b>Number of shares</b>
Ordinary shares	190,000	190,000	190,000	190,000

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

### 3. Directorate

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

<b>Directors</b>	<b>Nationality</b>	<b>Changes</b>
I.F. Oliver	South Africa	
S.P Mody	India	Resigned 20 October 2023
P. Godha	India	Appointed 20 October 2023

There have been no changes to the directorate for the year under review.

### 4. Holding company

The company's holding company is Unichem Laboratories Ltd which holds 100% (2023: 100%) of the company's equity. Unichem Laboratories Ltd is incorporated in India.

### 5. 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.

### 6. Auditors

GNR Auditors continued in office as auditors for the company for 2024.

### 7. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## Statement of Financial Position as at 31 March 2024

	Note(s)	2024 R	2023 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	8,111	16,075
Right-of-use assets	3	503,332	671,110
Deferred tax	4	340,185	-
		<b>851,628</b>	<b>687,185</b>
<b>Current Assets</b>			
Inventories	5	2,512,977	-
Trade and other receivables	6	7,088,892	3,794,216
Current tax receivable	9	-	63,258
Cash and cash equivalents		4,235,019	6,504,197
		<b>13,836,888</b>	<b>10,361,671</b>
<b>Total Assets</b>		<b>14,688,516</b>	<b>11,048,856</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	7	190,000	190,000
Retained income		6,094,770	7,014,529
		<b>6,284,770</b>	<b>7,204,529</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Finance lease liabilities	3	381,351	544,043
<b>Current Liabilities</b>			
Trade and other payables	8	7,856,884	3,147,837
Finance lease liabilities	3	165,511	152,447
		<b>8,022,395</b>	<b>3,300,284</b>
<b>Total Liabilities</b>		<b>8,403,746</b>	<b>3,844,327</b>
<b>Total Equity and Liabilities</b>		<b>14,688,516</b>	<b>11,048,856</b>



# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2024 R	2023 R
Revenue	10	23,055,452	29,646,911
Cost of sales		(19,800,995)	(21,194,015)
<b>Gross profit</b>		<b>3,254,457</b>	<b>8,452,896</b>
Other operating income	11	50,000	-
Other operating expenses		(4,513,940)	(5,542,356)
<b>Operating (loss) profit</b>	13	<b>(1,209,483)</b>	<b>2,910,540</b>
Investment income		2,414	-
Finance costs	16	(52,875)	(59,062)
<b>(Loss) profit before taxation</b>		<b>(1,259,944)</b>	<b>2,851,478</b>
Taxation	17	340,185	(769,899)
<b>(Loss) profit for the year</b>		<b>(919,759)</b>	<b>2,081,579</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(919,759)</b>	<b>2,081,579</b>

## Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

### Statement of Changes in Equity

	Share capital	Retained income	Total equity
	R	R	R
<b>Balance at 01 April 2022</b>	<b>190,000</b>	<b>4,932,950</b>	<b>5,122,950</b>
Profit for the year	-	2,081,579	2,081,579
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,081,579</b>	<b>2,081,579</b>
<b>Balance at 01 April 2023</b>	<b>190,000</b>	<b>7,014,529</b>	<b>7,204,529</b>
Loss for the year	-	(919,759)	(919,759)
Other comprehensive income	-	-	-
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>(919,759)</b>	<b>(919,759)</b>
<b>Balance at 31 March 2024</b>	<b>190,000</b>	<b>6,094,770</b>	<b>6,284,770</b>

Note(s)

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# Unichem SA (Pty) Ltd

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## Statement of Cash Flows

	Note(s)	2024 R	2023 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		19,810,777	31,700,040
Cash paid to suppliers and employees		(21,943,124)	(29,793,225)
Cash (used in)/generated from operations	18	(2,132,347)	1,906,815
Interest income		2,414	-
Finance costs	16	-	-
Tax (paid) received	19	63,258	(479,774)
<b>Net cash from operating activities</b>		<b>(2,066,675)</b>	<b>1,427,041</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(22,173)
<b>Cash flows from financing activities</b>			
Cash repayments on lease liabilities	3	(202,503)	(201,459)
<b>Total cash movement for the year</b>		<b>(2,269,178)</b>	<b>1,203,409</b>
Cash and cash equivalents at the beginning of the year		6,504,197	5,300,788
<b>Cash and cash equivalents at the end of the year</b>		<b>4,235,019</b>	<b>6,504,197</b>

# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Accounting Policies

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### 1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these financial statements.

#### 1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act of South Africa as amended.

The financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

#### 1.2 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

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

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

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The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

#### 1.3 Financial instruments

Financial instruments are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the company are presented below:

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## Accounting Policies

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### Financial instruments (continued)

#### Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

#### Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

#### Derecognition

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The company derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### 1.4 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

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Financial Statements for the year ended 31 March 2024

## Accounting Policies

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### 1.4 Tax (continued)

#### Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

When management assess the extent to which is it probable that taxable profit will be available against which potential deferred tax assets can be utilised, they take into consideration that the utilisation of assessed losses are limited to the greater of 80% of the taxable income or R1 million in the year of assessment.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

#### Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

### 1.5 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## Accounting Policies

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### 1.5 Leases (continued)

#### Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

A lease of an asset is considered low value if it is under R -.

#### Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

#### Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

The useful lives of right-of-use assets are presented in the following table:

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Item	Depreciation method	Average useful life
Buildings	Straight line	5 years

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The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

### 1.6 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

### 1.7 Impairment of assets

Management assesses, at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, then the recoverable amount of the asset is determined.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised for an asset (or a cash-generating unit) if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts. For cash generating units, the impairment loss is allocated to the assets on a pro-rata basis.

# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Accounting Policies

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### 1.7 Impairment of assets (continued)

Impairment losses are recognised immediately in profit or loss.

### 1.8 Share capital and equity

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

### 1.9 Employee benefits

#### Short-term employee benefits

Short-term employee benefits, which consist of salaries and fees, are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal obligation to make such payments as a result of past performance.

### 1.10 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Sales of pharmaceutical goods - wholesale

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

### 1.11 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.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company's right to recover products from customers where customers exercise their right of return under the company returns policy.

### 1.12 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.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

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.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

### 1.13 Statement of Cash Flows

The statement of cash flows is presented using the indirect method.



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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

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2024	2023
R	R

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### 2. Property, plant and equipment

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	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	2,870	(2,152)	718	2,870	(1,578)	1,292
Office equipment	21,240	(21,240)	-	21,240	(21,240)	-
IT equipment	31,146	(23,753)	7,393	31,146	(16,363)	14,783
<b>Total</b>	<b>55,256</b>	<b>(47,145)</b>	<b>8,111</b>	<b>55,256</b>	<b>(39,181)</b>	<b>16,075</b>

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## Notes to the Financial Statements

	2024	2023
	R	R

### 2. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2024

	Opening balance	Depreciation	Total
Furniture and fixtures	1,292	(574)	718
IT equipment	14,783	(7,390)	7,393
	<b>16,075</b>	<b>(7,964)</b>	<b>8,111</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	1,866	-	(574)	1,292
IT equipment	628	22,173	(8,018)	14,783
	<b>2,494</b>	<b>22,173</b>	<b>(8,592)</b>	<b>16,075</b>

### 3. Leases (company as lessee)

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	503,332	-	503,332	671,110	-	671,110

#### Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	503,332	671,110
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#### Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 13), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	167,777	167,777
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#### Other disclosures

Interest expense on lease liabilities	52,875	59,062
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# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

	2024 R	2023 R
<b>3. Leases (company as lessee) (continued)</b>		
<b>Finance lease liabilities</b>		
The maturity analysis of lease liabilities is as follows:		
Within one year	210,693	201,459
Two to five years	472,950	683,643
	683,643	885,102
Less finance charges component	(136,781)	(188,612)
	<b>546,862</b>	<b>696,490</b>
Non-current liabilities	381,351	544,043
Current liabilities	165,511	152,447
	<b>546,862</b>	<b>696,490</b>
<b>4. Deferred tax</b>		
<b>Deferred tax asset</b>		
Tax losses available for set off against future taxable income	340,185	-
<b>Total deferred tax asset</b>	<b>340,185</b>	-
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax asset	340,185	-
<b>Reconciliation of deferred tax asset / (liability)</b>		
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	340,185	-
<b>5. Inventories</b>		
Finished goods	2,512,977	-
<b>6. Trade and other receivables</b>		
<b>Financial instruments:</b>		
Trade receivables	6,421,367	3,793,546
Deposits	670	670
<b>Non-financial instruments:</b>		
VAT	666,855	-
<b>Total trade and other receivables</b>	<b>7,088,892</b>	<b>3,794,216</b>
<b>Split between non-current and current portions</b>		
Current assets	7,088,892	3,794,216

# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

	2024 R	2023 R
<b>6. Trade and other receivables (continued)</b>		
<b>Financial instrument and non-financial instrument components of trade and other receivables</b>		
At amortised cost	6,422,037	3,794,216
Non-financial instruments	666,855	-
	<b>7,088,892</b>	<b>3,794,216</b>

### Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2024	2024	2023	2023
	<b>Gross carrying amount</b>	<b>Loss allowance (Lifetime expected credit loss)</b>	<b>Gross carrying amount</b>	<b>Loss allowance (Lifetime expected credit loss)</b>
<b>Aging of trade receivables (undisputed, considered good - Unsecured)</b>				
Not due	4,069,290	-	3,793,546	-
Less than 6 months due	2,352,077	-	-	-
<b>Total</b>	<b>6,421,367</b>	<b>-</b>	<b>3,793,546</b>	<b>-</b>

### Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

#### Rand Amount

Rand	6,422,037	3,794,216
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## 7. Share capital

### Authorised

Ordinary shares	250,000	250,000
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### Reconciliation of number of shares issued:

Reported as at 01 April 2023	190,000	190,000
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### Issued

Ordinary	190,000	190,000
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Shares held by promoters at the end of the year:

Sr. no	Promotor name	No. of shares	% of total shares	Change from 2023
4	Unichem Laboratories Limited	13000	68.42%	0
5	Unichem Laboratories Limited	6000	31.58%	0

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## Notes to the Financial Statements

	2024 R	2023 R
<b>8. Trade and other payables</b>		
<b>Financial instruments:</b>		
Trade payables	7,818,384	2,808,710
Accrued audit fees	38,500	38,500
<b>Non-financial instruments:</b>		
VAT	-	300,627
	<b>7,856,884</b>	<b>3,147,837</b>

### Exposure to currency risk

The net carrying amounts, in Rand, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

<b>Rand Amount</b>		
Rand	7,856,883	2,847,207

### 9. Current tax payable (receivable)

Normal tax	-	63,258
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### 10. Revenue

#### Revenue from contracts with customers

Sale of pharmaceutical goods	23,055,452	29,646,911
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#### Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

#### Sale of goods

Sale of pharmaceutical goods	23,055,452	29,646,911
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#### Timing of revenue recognition

##### At a point in time

Sale of pharmaceutical goods	23,055,452	29,646,911
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#### Country

South Africa	23,055,452	29,646,911
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#### Customer

Trinity Pharma (Pty) Ltd	13,249,608	11,785,412
Unimed (Pty) Ltd	9,425,901	13,852,654
Other not making up 10% or more of sales	379,943	4,008,845
	<b>23,055,452</b>	<b>29,646,911</b>

### 11. Other operating income

Site audit	50,000	-
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# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

	2024 R	2023 R
<b>12. Other operating gains (losses)</b>		
<b>13. Operating profit (loss)</b>		
Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:		
<b>Auditor's remuneration - external</b>		
Audit fees	37,000	38,000
<b>Remuneration, other than to employees</b>		
Consulting and professional services	9,475	5,400
<b>Employee costs</b>		
Salaries, wages, bonuses and other benefits	333,900	333,900
<b>Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	7,964	8,592
Depreciation of right-of-use assets	167,777	167,777
<b>Total depreciation and amortisation</b>	<b>175,741</b>	<b>176,369</b>
<b>Expenses by nature</b>		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Changes in inventories of finished goods and work in progress	19,800,995	21,194,015
Employee costs	333,900	333,900
Depreciation, amortisation and impairment	175,741	176,369
Other expenses	4,004,299	5,032,087
	<b>24,314,935</b>	<b>26,736,371</b>
<b>14. Employee costs</b>		
<b>Employee costs</b>		
Basic	333,900	333,900
<b>15. Depreciation, amortisation and impairment losses</b>		
<b>Depreciation</b>		
Property, plant and equipment	7,964	8,592
Right-of-use assets	167,777	167,777
	<b>175,741</b>	<b>176,369</b>
<b>16. Finance costs</b>		
Lease liabilities	52,875	59,062

# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

	2024 R	2023 R
<b>17. Taxation</b>		
<b>Major components of the tax expense (income)</b>		
<b>Current</b>		
Local income tax - current period	-	769,899
<b>Deferred</b>		
Arising from tax loss	(340,185)	-
	<b>(340,185)</b>	<b>769,899</b>
<b>18. Cash (used in)/generated from operations</b>		
Profit (loss) before taxation	(1,259,944)	2,851,478
<b>Adjustments for non-cash items:</b>		
Depreciation, amortisation, impairments and reversals of impairments	175,741	176,369
<b>Adjust for items which are presented separately:</b>		
Interest income	(2,414)	-
Finance costs	52,875	59,062
<b>Changes in working capital:</b>		
(Increase) decrease in inventories	(2,512,977)	2,878,896
(Increase) decrease in trade and other receivables	(3,294,675)	2,053,129
Increase (decrease) in trade and other payables	4,709,047	(6,112,119)
	<b>(2,132,347)</b>	<b>1,906,815</b>
<b>19. Tax (paid) refunded</b>		
Balance at beginning of the year	63,258	353,383
Current tax recognised in profit or loss	-	(769,899)
Balance at end of the year	-	(63,258)
	<b>63,258</b>	<b>(479,774)</b>

## 20. Contingencies

There are no contingent commitments of the company.

# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

	2024	2023
	R	R
<b>21. Related parties</b>		
<b>Relationships</b>		
Holding company		Unichem Laboratories Ltd
Members of key management		IF Oliver
<b>Related party balances</b>		
<b>Amounts included in Trade receivable (Trade Payable) regarding related parties</b>		
Unichem India Limited	(7,153,367)	(2,723,060)
Unichem India Limited	109,065	28,400
<b>Related party transactions</b>		
<b>Purchases from (sales to) related parties</b>		
Unichem India Limited	22,313,972	20,381,758
Unichem India Limited	(512,983)	(677,432)
<b>Compensation to directors and other key management</b>		
Short-term employee benefits	333,900	333,900



# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

Figures in Rand

2024

2023

### 22. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

##### 2024

	Note(s)	Amortised cost	Total
Trade and other receivables	6	6,422,037	6,422,037
Cash and cash equivalents		4,235,019	4,235,019
		<b>10,657,056</b>	<b>10,657,056</b>

##### 2023

	Note(s)	Amortised cost	Total
Trade and other receivables	6	3,794,216	3,794,216
Cash and cash equivalents		6,504,197	6,504,197
		<b>10,298,413</b>	<b>10,298,413</b>

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

	2024 R	2023 R
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### 22. Financial instruments and risk management (continued)

#### Categories of financial liabilities

##### 2024

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	8	7,856,883	-	7,856,883
Finance lease obligations	3	-	546,862	546,862
		<b>7,856,883</b>	<b>546,862</b>	<b>8,403,745</b>

##### 2023

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	8	2,847,207	-	2,847,207
Finance lease obligations	3	-	696,490	696,490
		<b>2,847,207</b>	<b>696,490</b>	<b>3,543,697</b>

#### Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

Finance lease liabilities	546,862	696,490
Trade and other payables	8 7,856,883	3,147,834
<b>Total borrowings</b>	<b>8,403,745</b>	<b>3,844,324</b>
Cash and cash equivalents	(4,235,019)	(6,504,197)
<b>Net borrowings</b>	<b>4,168,726</b>	<b>(2,659,873)</b>
Equity	6,284,771	7,204,529
Gearing ratio	66 %	(37)%

# Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

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2024	2023
R	R

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### 22. Financial instruments and risk management (continued)

#### Financial risk management

##### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

##### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

# Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2024

## Notes to the Financial Statements

	2024 R	2023 R
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### 22. Financial instruments and risk management (continued)

		2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	7,088,892	-	7,088,892	3,794,216	-	3,794,216
Cash and cash equivalents		4,235,019	-	4,235,019	6,504,197	-	6,504,197
		<b>11,323,911</b>	<b>-</b>	<b>11,323,911</b>	<b>10,298,413</b>	<b>-</b>	<b>10,298,413</b>

### Liquidity risk

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

#### 2024

	Carrying amount
<b>Non-current liabilities</b>	
Finance lease liabilities	381,351
<b>Current liabilities</b>	
Trade and other payables	8 7,856,883
Finance lease liabilities	3 165,511
	<b>(8,403,745)</b>

#### 2023

	Carrying amount
<b>Non-current liabilities</b>	
Finance lease liabilities	544,043
<b>Current liabilities</b>	
Trade and other payables	8 2,847,207
Finance lease liabilities	152,447
	<b>(3,543,697)</b>

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Financial Statements for the year ended 31 March 2024

## Detailed Income Statement

	Note(s)	2024 R	2023 R
<b>Revenue</b>			
Sale of goods		23,055,452	29,646,911
<b>Cost of sales</b>			
Opening stock		-	(2,878,896)
Purchases		(22,313,972)	(18,315,119)
Closing stock		2,512,977	-
		<b>(19,800,995)</b>	<b>(21,194,015)</b>
<b>Gross profit</b>		<b>3,254,457</b>	<b>8,452,896</b>
<b>Other operating income</b>			
Other income		50,000	-
<b>Other operating expenses</b>			
Advertising		-	(132)
Auditor's remuneration - external audit	13	(37,000)	(38,000)
Bank charges		(13,671)	(15,666)
Consulting and professional fees - accounting		(7,775)	(5,400)
Consulting and professional fees - other		(1,700)	-
Depreciation		(175,741)	(176,369)
Employee costs		(333,900)	(333,900)
Medicine Control Council		(1,900)	(950)
Annual fees		(17,266)	(16,097)
Pharmaceutical testing		(76,951)	(136,098)
Pharmaceutical regulatory		(1,950,975)	(1,840,188)
Municipal expenses		(20,870)	(20,870)
Other expenses		-	(5,244)
Printing and stationery		-	(406)
Security		(4,697)	(4,770)
Subscriptions		(7,227)	(6,891)
Telephone and fax		(2,133)	(2,071)
Training		(2,435)	(3,200)
Transport and freight		(1,859,699)	(2,936,104)
		<b>(4,513,940)</b>	<b>(5,542,356)</b>
<b>Operating (loss) profit</b>	13	<b>(1,209,483)</b>	<b>2,910,540</b>
Investment income		2,414	-
Finance costs	16	(52,875)	(59,062)
<b>(Loss) profit before taxation</b>		<b>(1,259,944)</b>	<b>2,851,478</b>
Taxation	17	340,185	(769,899)
<b>(Loss) profit for the year</b>		<b>(919,759)</b>	<b>2,081,579</b>