

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial statements for the year ended 31 March 2021

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

Issued 12 May 2021

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2021

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
Holding company	Unichem Laboratories Ltd incorporated in India
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 of South Africa.
Preparer	The financial statements were independently compiled by: RMC Auditors

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Financial Statements for the year ended 31 March 2021

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Preparer	
RMC Auditors	

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Directors' Responsibilities and Approval

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 2022 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 31, which have been prepared on the going concern basis, were approved by the board on 12 May 2021 and were signed on their behalf by:

Approval of financial statements


I.F. Oliver

12 May 2021



☎ 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

✉ 20395
Noordbrug
2522

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 30, which comprise the statement of financial position as at 31 March 2021, 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 2021, 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. 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
Completeness of revenue	
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

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 2021", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 31. 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
CR Rademeyer (CA) SA
Partner
Chartered Accountants (SA)
Registered Auditors

12 May 2021
Potchefstroom

Unichem SA (Pty) Ltd

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Financial Statements for the year ended 31 March 2021

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 2021.

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

Authorised			2021	2020	
Ordinary shares			Number of shares	Number of shares	
			250,000	250,000	
Issued		2021	2020	2021	2020
Ordinary shares		R	R	Number of shares	Number of shares
		190,000	190,000	190,000	190,000

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:

Directors	Office	Designation	Nationality
I.F. Oliver	Chief Executive Officer	Executive	South Africa
S.P. Mody	Finance Director	Executive	India

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% (2020: 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.

The board is aware of the COVID-19 pandemic as well as the country's downgrade to sub-investment grade. The pandemic related events are considered to be adjusting events after the reporting period. There is no immediate concern around going concern. Management are continually assessing and monitoring developments with regard to the disease and at the time of finalising the report, the board is confident that our responses are adequate and the crisis is being continuously monitored to assess the impact on the company.

6. Auditors

GNR Auditors continued in office as auditors for the company for 2021.

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.

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Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	5,678	8,113
Right-of-use assets	3	188,111	376,222
		193,789	384,335
Current Assets			
Inventories	4	2,230,686	-
Trade and other receivables	5	3,460,889	5,858,417
Cash and cash equivalents	6	2,081,565	1,419,760
		7,773,140	7,278,177
Total Assets		7,966,929	7,662,512
Equity and Liabilities			
Equity			
Share capital	7	190,000	190,000
Retained income		2,391,392	1,698,272
		2,581,392	1,888,272
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	3	-	214,356
Current Liabilities			
Trade and other payables	8	5,107,260	4,749,768
Finance lease liabilities	3	224,330	189,045
Current tax payable		53,947	621,071
		5,385,537	5,559,884
Total Liabilities		5,385,537	5,774,240
Total Equity and Liabilities		7,966,929	7,662,512

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue	9	19,181,318	25,677,977
Cost of sales		(14,473,798)	(20,191,329)
Gross profit		4,707,520	5,486,648
Other operating income	10	8,213	-
Other operating expenses		(3,598,029)	(3,220,628)
Operating profit	11	1,117,704	2,266,020
Finance costs	14	(155,037)	(47,551)
Profit before taxation		962,667	2,218,469
Taxation	15	(269,547)	(621,171)
Profit for the year		693,120	1,597,298
Other comprehensive income		-	-
Total comprehensive income for the year		693,120	1,597,298

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Statement of Changes in Equity

	Share capital	Retained income	Total equity
	R	R	R
Balance at 01 April 2019	190,000	100,974	290,974
Loss for the 12 months	-	1,597,298	1,597,298
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,597,298	1,597,298
Balance at 01 April 2020	190,000	1,698,272	1,888,272
Profit for the year	-	693,120	693,120
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	693,120	693,120
Balance at 31 March 2021	190,000	2,391,392	2,581,392

Note(s)

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The accounting policies on pages 11 to 20 and the notes on pages 21 to 30 form an integral part of the financial statements.

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Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from operations	16	1,835,454	130,750
Finance costs		(155,037)	(47,551)
Tax paid	17	(836,671)	(11,878)
Net cash from operating activities		843,746	71,321
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2,870)	(2,260)
Net cash from investing activities		(2,870)	(2,260)
Cash flows from financing activities			
Payment on lease liabilities		(179,071)	(160,933)
Net cash from financing activities		(179,071)	(160,933)
Total cash movement for the year		661,805	(91,872)
Cash at the beginning of the year		1,419,760	1,511,632
Total cash at end of the year	6	2,081,565	1,419,760

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Financial Statements for the year ended 31 March 2021

Accounting Policies

1. Significant accounting policies

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

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 Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act of South Africa of South Africa, as amended.

These 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 principal 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 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.

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 any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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:

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.

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Accounting Policies

1.2 Property, plant and equipment (continued)

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.

1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 21 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

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Accounting Policies

Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured 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.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 5) and the financial instruments and risk management note (note 21).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item (note).

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Accounting Policies

Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 8), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 21 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

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

Derecognition

Financial assets

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.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company 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 Financial instruments: IAS 39 comparatives

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.

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Accounting Policies

1.3 Financial instruments: IAS 39 comparatives (continued)

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.

Regular way purchases of financial assets are accounted for at trade date.

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.

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.

1.5 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.

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Accounting Policies

1.5 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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 not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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.

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.

1.6 Leases

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

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

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1.6 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 (note 11) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the company is a lessee are presented in note 3 Leases (company as lessee).

Lease liability

The lease liability is 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. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 3).

The lease liability is presented as a separate line item on the Statement of Financial Position.

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 (note 14).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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Accounting Policies

1.6 Leases (continued)

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

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

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	5 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 a right-of-use asset with a cost that is significant in relation to the total cost of the asset 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.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

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Accounting Policies

1.8 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 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 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 company in which they are declared.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), 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 or constructive obligation to make such payments as a result of past performance.

1.11 Revenue from contracts with customers

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Accounting Policies

1.12 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.

1.13 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.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

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

1.14 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.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

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.

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Notes to the Financial Statements

	2021	2020
	R	R

2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	2,870	(430)	2,440	-	-	-
Office equipment	21,240	(19,866)	1,374	21,240	(17,193)	4,047
IT equipment	8,974	(7,110)	1,864	8,974	(4,908)	4,066
Total	33,084	(27,406)	5,678	30,214	(22,101)	8,113

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	2,870	(430)	2,440
Office equipment	4,047	-	(2,673)	1,374
IT equipment	4,066	-	(2,202)	1,864
	8,113	2,870	(5,305)	5,678

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Office equipment	8,295	-	(4,248)	4,047
IT equipment	3,381	2,260	(1,575)	4,066
	11,676	2,260	(5,823)	8,113

3. Leases (company as lessee)

The company leases a building and parking. The average lease term is 5 years (2020: 5 years).

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

Net carrying amounts of right-of-use assets

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

Buildings	188,111	376,222
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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 11), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	188,111	188,111
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Other disclosures

Interest expense on lease liabilities	30,180	47,551
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Notes to the Financial Statements

	2021 R	2020 R
3. Leases (company as lessee) (continued)		
Finance lease liabilities		
The maturity analysis of lease liabilities is as follows:		
Within one year	235,405	226,561
Two to five years	-	224,686
	235,405	451,247
Less finance charges component	(11,075)	(67,846)
	224,330	383,401
Non-current liabilities	-	214,356
Current liabilities	224,330	189,045
	224,330	403,401
4. Inventories		
Finished goods	2,230,686	-
5. Trade and other receivables		
Financial instruments:		
Trade receivables	3,138,108	5,858,417
Non-financial instruments:		
VAT	322,781	-
Total trade and other receivables	3,460,889	5,858,417
Split between non-current and current portions		
Current assets	3,460,889	5,858,417
Categorisation of trade and other receivables		
Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:		
At amortised cost	3,138,108	5,858,417
Non-financial instruments	322,781	-
	3,460,889	5,858,417
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	3,138,108	5,858,417

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Notes to the Financial Statements

	2021 R	2020 R
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	2,081,565	1,419,760
Exposure to currency risk		
Rand amount		
Rand	2,081,565	1,419,760
7. Share capital		
Authorised		
Ordinary shares	250,000	250,000
Reconciliation of number of shares issued:		
Reported as at 01 April 2020	190,000	190,000
Issued		
Ordinary	190,000	190,000
8. Trade and other payables		
Financial instruments:		
Trade payables	5,107,260	4,644,777
Non-financial instruments:		
VAT	-	104,991
	5,107,260	4,749,768
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.		
Rand Amount		
Rand	5,107,262	4,644,779
9. Revenue		
Revenue from contracts with customers		
Sale of goods	19,181,318	25,677,977

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Notes to the Financial Statements

	2021 R	2020 R
9. Revenue (continued)		
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Sale of goods		
Sale of pharmaceutical goods	19,181,318	25,677,977
Timing of revenue recognition		
At a point in time		
Sale of goods	(19,181,318)	(25,677,977)
10. Other operating income		
Lease concession gain	8,213	-
11. Operating profit (loss)		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	58,600	54,000
Remuneration, other than to employees		
Consulting and professional services	7,450	6,200
Employee costs		
Salaries, wages, bonuses and other benefits	318,000	318,000
Depreciation and amortisation		
Depreciation of property, plant and equipment	5,305	5,823
Depreciation of right-of-use assets	188,111	188,111
Total depreciation and amortisation	193,416	193,934
Expenses by nature		
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	14,473,798	20,191,329
Employee costs	318,000	318,000
Depreciation, amortisation and impairment	193,416	193,934
Other expenses	3,086,613	2,708,694
	18,071,827	23,411,957
12. Employee costs		
Employee costs		
Basic	318,000	318,000

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Notes to the Financial Statements

	2021 R	2020 R
13. Depreciation, amortisation and impairment losses		
Depreciation		
Property, plant and equipment	5,305	5,823
14. Finance costs		
Finance leases	30,180	47,551
Tax authorities	124,857	-
Total finance costs	155,037	47,551
15. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	269,547	621,171
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	962,667	2,218,469
Tax at the applicable tax rate of 28% (2020: 28%)	269,547	621,171
16. Cash generated from operations		
Profit before taxation	962,667	2,218,469
Adjustments for:		
Depreciation and amortisation	193,416	193,934
Finance costs	155,037	47,551
Changes in working capital:		
Inventories	(2,230,686)	560,983
Trade and other receivables	2,397,528	(911,506)
Trade and other payables	357,492	(1,978,681)
	1,835,454	130,750
17. Tax paid		
Balance at beginning of the year	(621,071)	(11,778)
Current tax for the year recognised in profit or loss	(269,547)	(621,171)
Balance at end of the year	53,947	621,071
	(836,671)	(11,878)

18. Contingencies

There are no contingent commitments of the company.

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	2021 R	2020 R
19. Related parties		
Relationships		
Holding company		Unichem Laboratories Ltd
Members of key management		IF Oliver
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Unichem Laboratories Limited	(4,198,162)	(4,197,913)
Unichem Laboratories Limited	95,858	37,408
Related party transactions		
Purchases from (sales to) related parties		
Unichem Laboratories Limited	16,950,384	19,631,053
Unichem Laboratories Limited	(430,873)	(206,943)
Compensation to directors and other key management		
Short-term employee benefits	318,000	318,000
20. Directors' emoluments		
Executive		
2021		
Fees	Directors' fees 318,000	Total 318,000
2020		
Fees	Directors' fees 318,000	Total 318,000

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Notes to the Financial Statements

Figures in Rand

2021 2020

21. Financial instruments and risk management**Categories of financial instruments****Categories of financial assets****2021**

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	3,138,108	3,138,108	3,138,108
Cash and cash equivalents	6	2,081,565	2,081,565	2,081,565
		5,219,673	5,219,673	5,219,673

2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	5	5,858,417	5,858,417	5,858,417
Cash and cash equivalents	6	1,419,760	1,419,760	-
		7,278,177	7,278,177	5,858,417

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Notes to the Financial Statements

				2021 R	2020 R
21. Financial instruments and risk management (continued)					
Categories of financial liabilities					
2021					
	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	8	5,107,262	-	5,107,262	-
Finance lease obligations		-	224,330	224,330	-
		5,107,262	224,330	5,331,592	-
2020					
	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	8	4,644,779	-	4,644,779	-
Finance lease obligations		-	403,401	403,401	-
		4,644,779	403,401	5,048,180	-
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.					
The capital structure and gearing ratio of the company at the reporting date was as follows:					
Finance lease liabilities				224,330	403,401
Trade and other payables	8			5,107,262	4,749,770
Total borrowings				5,331,592	5,153,171
Cash and cash equivalents	6			(2,081,565)	(1,419,760)
Net borrowings				3,250,027	3,733,411
Equity				2,581,391	1,888,273
Gearing ratio				126 %	198 %

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2021	2020
R	R

21. Financial instruments and risk management (continued)

Financial risk management

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:

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Notes to the Financial Statements

	2021 R	2020 R
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21. Financial instruments and risk management (continued)

		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	5	3,138,108	-	3,138,108	5,858,417	-	5,858,417
Cash and cash equivalents	6	2,081,565	-	2,081,565	1,419,760	-	1,419,760
		5,219,673	-	5,219,673	7,278,177	-	7,278,177

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.

2021

	Less than 1 year	Total	Carrying amount
Current liabilities			
Trade and other payables	5,107,262	5,107,262	5,107,262
Finance lease liabilities	224,330	224,330	224,330

2020

	Less than 1 year	Total	Carrying amount
Non-current liabilities			
Finance lease liabilities	-	-	214,356
Current liabilities			
Trade and other payables	8 4,644,779	4,644,779	4,644,779
Finance lease liabilities	-	-	189,045
	4,644,779	4,644,779	5,048,180

Unichem SA (Pty) Ltd

(Registration number 2000/012469/07)

Financial Statements for the year ended 31 March 2021

Detailed Income Statement

	Note(s)	2021 R	2020 R
Revenue			
Sale of goods		19,181,318	25,677,977
Cost of sales			
Opening stock		-	(560,983)
Purchases		(16,704,484)	(19,630,346)
Closing stock		2,230,686	-
		(14,473,798)	(20,191,329)
Gross profit		4,707,520	5,486,648
Other operating income			
Rental concession gain		8,213	-
Other operating expenses			
Advertising		-	(20,739)
Auditors remuneration - external auditors	11	(58,600)	(54,000)
Bank charges		(13,685)	(13,723)
Consulting and professional fees - accounting		(7,450)	(6,200)
Depreciation		(193,416)	(193,934)
Employee costs		(318,000)	(318,000)
Medicine Control Council		(369,860)	(193,030)
Annual fees		(14,958)	(12,829)
Pharmaceutical testing		(188,662)	(186,520)
Pharmaceutical Regulatory		(1,300,010)	(1,262,022)
Service fee		(12,500)	(7,188)
Municipal expenses		(15,652)	(13,913)
Other expenses		(1,304)	-
Printing and stationery		(596)	(5,290)
Security		(2,261)	-
Subscriptions		(1,998)	(1,998)
Telephone and fax		(1,870)	(2,149)
Training		(9,735)	(8,500)
Transport and freight		(1,087,472)	(920,593)
		(3,598,029)	(3,220,628)
Operating profit	11	1,117,704	2,266,020
Finance costs	14	(155,037)	(47,551)
Profit before taxation		962,667	2,218,469
Taxation	15	(269,547)	(621,171)
Profit for the year		693,120	1,597,298