



TRINITY PHARMA (PTY) LTD
(Registration number 2003/020397/07)

Annual Financial Statements
for the period ended 31 March 2019

These annual financial statements were prepared by:
J.H. Coetzer
Chartered Accountant (SA)

DNL Associates Inc.
Chartered Accountants (SA)
Registered Auditors

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

Issued 27 May 2019

Trinity Pharma (Pty) Ltd

(Registration number: 2003/020397/07)

Annual Financial Statements for the period ended 31 March 2019

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Registration and marketing of pharmaceuticals
Directors	G.R.N. Simaan S.S. Sinha S. Kahanovitz V. Kumar A.J. Metha
Registered office	106 16th Road Midrand Johannesburg South Africa 1686
Business address	106 16th Road Midrand Johannesburg South Africa 1686
Postal address	P.O. Box 68687 Bryanston Johannesburg South Africa 2021
Holding company	Strides Pharma Asia Pte Ltd incorporated in Singapore
Ultimate holding company	Strides Pharma Science Ltd (formerly Strides Shasun Limited) (a company listed on the National Stock Exchange of India and the Bombay Stock Exchange) incorporated in India
Bankers	Bidvest Bank First National Bank
Auditors	DNL Associates Inc. Chartered Accountants (SA) Registered Auditors 280 Brooks Street Brooklyn Pretoria, 0181
Tax reference number	9676714141

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Directors' Responsibilities and Approval

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

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 of directors 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 annual 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 12 months to 31 March 2020 and, in the light of this review and the current financial position, they are satisfied that the company has or has 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 annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 6.

The annual financial statements set out on page 8, which have been prepared on the going concern basis, were approved by the board of directors on 27 May 2019 and were signed on its behalf by:

Approval of annual financial statements











Johannesburg

Trinity Pharma (Pty) Ltd

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Trinity Pharma (Pty) Ltd and its associates for the period ended 31 March 2019.

1. Nature of business

Trinity Pharma (Pty) Ltd was incorporated in South Africa with interests in the registration and marketing of pharmaceutical products.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior period.

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

3. Share capital

Issued	2019	2018	2019	2018
	Percentage held		Number of shares	
Strides Pharma Asia Pte Ltd	51.76 %	51.76 %	748	748
Kahma Healthcare Group (Pty) Ltd	28.24 %	28.24 %	408	408
Asaco (Pty) Ltd	20.00 %	20.00 %	289	289
	<u>100.00 %</u>	<u>100.00 %</u>	<u>1,445</u>	<u>1,445</u>

On 1 January 2018 all the shareholders at the time sold their shares to Strides Pharma Asia Pte Ltd, Kahma Healthcare Group (Pty) Ltd and Asaco (Pty) Ltd at market value.

There have been no changes to authorised or issued share capital in the current year.

Refer to note 11 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act 71 of 2008. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares under the control of the directors until the next AGM.

5. Dividends

No dividends were declared or paid to shareholders during the year.

6. Directors

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

Directors

G.R.N. Simaan
S.S. Sinha
S. Kahanovitz
V. Kumar
A.J. Metha

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

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Directors' Report

7. Directors interests in shares

As at 31 March 2019, the directors of the company held direct and indirect beneficial interests in 20% (2018: 20%) of its issued ordinary shares.

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

8. Interests in subsidiaries

Details of material interests in subsidiaries are presented in the annual financial statements in notes 4.

9. Holding company

The company's holding company is Strides Pharma Asia Pte Ltd which holds 51.76% (2018: 51.76%) of the company's equity. Strides Pharma Asia Pte Ltd is incorporated in Singapore.

10. Ultimate holding company

The company's ultimate holding company is Strides Pharma Science Ltd (formerly Strides Shasun Limited) (a company listed on the National Stock Exchange of India and the Bombay Stock Exchange) which is incorporated in India.

11. 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.

12. Going concern

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



DNL Associates Incorporated

Chartered Accountants (SA) & Registered Auditors
Registration No: 2013/186618/21 • SAICA Firm No: 10002242 • IRBA Practice No: 902003

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Directors: A.J.J. de Lange - B.Com. (Hons), M.Com.(Tax), CA(SA) • J.H. Coetzer - B.Com.(Hons), CA(SA)

Independent Auditor's Report

To the shareholders of Trinity Pharma (Pty) Ltd

Opinion

We have audited the annual financial statements of Trinity Pharma (Pty) Ltd set out on pages 8 to 28, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Trinity Pharma (Pty) Ltd as at 31 March 2019, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual 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 annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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.

Independent Auditor's Report

Auditors' responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.



DNL Associates Inc.
AJJ de Lange
Director
Chartered Accountants (SA)
Registered Auditor

Date: 27.05.2019
Pretoria

Trinity Pharma (Pty) Ltd

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Statement of Financial Position as at 31 March 2019

Figures in Rand	Note(s)	31 March 2019	31 March 2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	350,544	458,033
Intangible assets	3	13,945,628	11,032,812
Investments in subsidiaries	4	1,559,673	1,559,673
Loans to group companies	5	187,648	153,968
Deferred tax	6	234,254	159,385
		16,277,747	13,363,871
Current Assets			
Inventories	8	39,179,895	37,221,465
Work in progress and receivables	9	2,080,886	2,292,253
Trade and other receivables	7	47,044,810	34,187,318
Current tax receivable	15	-	210,652
Cash and cash equivalents	10	11,253,950	12,271,449
		99,559,541	86,183,137
Total Assets		115,837,288	99,547,008
Equity and Liabilities			
Equity			
Share capital	11	24,032,227	24,032,227
Retained income		(9,680,450)	(15,537,958)
		14,351,777	8,494,269
Liabilities			
Non-Current Liabilities			
Other financial liabilities	13	21,254,780	16,170,887
Current Liabilities			
Trade and other payables	12	78,686,276	74,489,052
Other financial liabilities	13	51,270	46,305
Current tax payable	15	907,756	-
Provisions	16	585,429	346,495
		80,230,731	74,881,852
Total Liabilities		101,485,511	91,052,739
Total Equity and Liabilities		115,837,288	99,547,008

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Statement of Comprehensive Income

Figures in Rand	Note(s)	12 months ended 31 March 2019	13 months ended 31 March 2018
Revenue	17	207,993,711	178,110,973
Cost of sales		(181,283,166)	(158,880,630)
Gross profit		26,710,545	19,230,343
Other income	18	1,082,542	570,624
Operating expenses		(12,307,631)	(16,770,655)
Operating profit	19	15,485,456	3,030,312
Investment revenue	20	62,824	281,057
Fair value adjustments	21	(2,922,321)	(19,461,359)
Finance costs	22	(2,474,040)	(867,467)
Profit (loss) before taxation		10,151,919	(17,017,457)
Taxation	23	(4,294,411)	(724,462)
Profit (loss) for the period		5,857,508	(17,741,919)
Other comprehensive income		-	-
Total comprehensive income (loss) for the period		5,857,508	(17,741,919)

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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance at 01 April 2017	1,360	19,030,867	19,032,227	2,203,961	21,236,188
Loss for the period	-	-	-	(17,741,919)	(17,741,919)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(17,741,919)	(17,741,919)
Issue of shares	85	4,999,915	5,000,000	-	5,000,000
Total changes	85	4,999,915	5,000,000	-	5,000,000
Balance at 01 April 2018	1,445	24,030,782	24,032,227	(15,537,958)	8,494,269
Profit for the period	-	-	-	5,857,508	5,857,508
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,857,508	5,857,508
Balance at 31 March 2019	1,445	24,030,782	24,032,227	(9,680,450)	14,351,777
Note(s)	11	11	11		

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Statement of Cash Flows

Figures in Rand	Note(s)	12 months ended 31 March 2019	13 months ended 31 March 2018
Cash flows from operating activities			
Cash receipts from customers		197,387,391	165,882,400
Cash paid to suppliers and employees		(191,862,081)	(151,609,508)
Cash generated from operations	25	5,525,310	14,272,892
Interest income		62,824	281,057
Finance costs		(246,336)	(844,582)
Tax paid	26	(3,250,872)	(1,163,979)
Net cash from operating activities		2,090,926	12,545,388
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(45,776)	(482,169)
Sale of property, plant and equipment	2	5,416	34,646
Purchase of other intangible assets	3	(2,973,218)	(1,582,205)
Loans advanced to related parties		(33,680)	1,420
Increase of financial assets		-	(87,500)
Net cash from investing activities		(3,047,258)	(2,115,808)
Cash flows from financing activities			
Proceeds from other financial liabilities		-	217,192
Repayment of other financial liabilities		(40,788)	-
Movement in trade facility		-	(3,130,960)
Finance lease payments		(20,379)	(22,885)
Net cash from financing activities		(61,167)	(2,936,653)
Total cash movement for the period		(1,017,499)	7,492,927
Cash at the beginning of the period		12,271,449	4,778,522
Total cash at end of the period	10	11,253,950	12,271,449

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Accounting Policies

General information

Trinity Pharma (Pty) Ltd is a private company incorporated and domiciled in South Africa.

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of investments in subsidiaries when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount which is the higher of an asset's or cash generating unit's (CGU) fair value less cost of disposal (FVLCD) and its value in use (VIU). These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining FVLCD, recent market transactions (where available) are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, or other available fair value indicators. VIU does not reflect future cash flows associated with improving or enhancing an assets performance, whereas anticipated enhancements to assets are included in FVLCD calculations.

The following were the key model inputs used in determining the recoverable amount:

- assumed discount rate of 20%;
- assumed long-term sustainable growth rate of 7%.

Impairment losses of investments are recognised in the statement of profit or loss and other comprehensive income.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

Interest rates

Prime overdraft rate at year end: 10.25% (2018: 10.25%).

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

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 period.

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 costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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 period 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.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	5 years

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

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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.

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Accounting Policies

1.2 Property, plant and equipment (continued)

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 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Trademarks	20 years; refer to note below
Dossiers	10 years; refer to note below
Business models	10 years
Computer software	3 years

Trademarks and dossiers:

The cost capitalised during the year represents directly attributable costs of preparing the intangibles for their intended use. The directors showed their intention to maintain trade marks and dossiers in a condition which will maintain the future streams of cashflow to the company, that will give it an indefinite life and maintain its residual value in excess of its cost. Such necessary maintenance costs will be undertaken on a regular basis and be charged to the income statement. Capital costs incurred subsequent to add to or to enhance the asset will be capitalised.

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Investments in subsidiaries

Investments in subsidiaries are measured at cost less any accumulated impairment losses.

The company is not required to prepare consolidated annual financial statements because the ultimate parent company, Strides Pharma Science Ltd (formerly Strides Shasun Limited), publishes consolidated annual financial statements in accordance with Generally Accepted Accounting Practice in India.

1.5 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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Accounting Policies

1.5 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.6 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

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.

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.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

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Accounting Policies

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

1.8 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

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

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.

1.9 Work in progress and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.10 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior periods. A reversal of impairment is recognised immediately in profit or loss.

1.11 Share capital and equity

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

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Accounting Policies

1.12 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 leave pay 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.

1.13 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.14 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

1.15 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

1.17 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.

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Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 March 2019		13 months ended 31 March 2018	
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2. Property, plant and equipment

	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	68,894	(42,342)	26,552	70,995	(37,473)	33,522
Motor vehicles	304,064	(118,627)	185,437	304,064	(57,814)	246,250
Office equipment	229,503	(164,592)	64,911	236,954	(141,832)	95,122
IT equipment	234,171	(178,069)	56,102	209,014	(130,779)	78,235
Leasehold improvements	21,480	(3,945)	17,535	4,897	-	4,897
Text books	21,327	(21,320)	7	21,327	(21,320)	7
Total	879,439	(528,895)	350,544	847,251	(389,218)	458,033

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	33,522	4,037	(2,525)	(8,482)	26,552
Motor vehicles	246,250	-	-	(60,813)	185,437
Office equipment	95,122	-	(2,891)	(27,320)	64,911
IT equipment	78,235	25,156	-	(47,289)	56,102
Leasehold improvements	4,897	16,583	-	(3,945)	17,535
Text books	7	-	-	-	7
	458,033	45,776	(5,416)	(147,849)	350,544

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	30,068	30,404	(9,304)	(17,646)	33,522
Motor vehicles	-	304,064	-	(57,814)	246,250
Office equipment	60,735	70,221	-	(35,834)	95,122
IT equipment	71,707	72,583	(18,051)	(48,004)	78,235
Leasehold improvements	-	4,897	-	-	4,897
Text books	7	-	-	-	7
	162,517	482,169	(27,355)	(159,298)	458,033

Property, plant and equipment encumbered as security

Refer to note 13 & 14 for details of property, plant and equipment encumbered as security for borrowings.

3. Intangible assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademarks	8,040	(905)	7,135	8,040	(503)	7,537
Business models	600,000	(425,096)	174,904	600,000	(365,096)	234,904
Computer software	14,400	(14,399)	1	14,400	(14,399)	1
Dossiers	13,763,588	-	13,763,588	10,790,370	-	10,790,370
Total	14,386,028	(440,400)	13,945,628	11,412,810	(379,998)	11,032,812

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3. Intangible assets (continued)

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Trademarks	7,537	-	(402)	7,135
Business models	234,904	-	(60,000)	174,904
Computer software	1	-	-	1
Dossiers	10,790,370	2,973,218	-	13,763,588
	11,032,812	2,973,218	(60,402)	13,945,628

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Previous capitalisation now expensed	Amortisation	Total
Trademarks	7,737	-	-	(200)	7,537
Business models	300,000	-	-	(65,096)	234,904
Computer software	1	-	-	-	1
Dossiers	13,766,324	1,582,205	(4,558,159)	-	10,790,370
	14,074,062	1,582,205	(4,558,159)	(65,296)	11,032,812

Capitalised expenditure on dossiers

In line with Strides' group policy only license and regulatory body registration costs are to be capitalised against dossiers and all other costs are expensed when incurred.

4. Investments in subsidiaries

Name of subsidiary	% holding 2019	% holding 2018	Carrying amount 2019	Carrying amount 2018
Apollo Life Sciences Holdings (Pty) Ltd	100.00 %	100.00 %	1,559,673	21,021,032
			1,559,673	21,021,032
Impairment of investment in subsidiaries			-	(19,461,359)
			1,559,673	1,559,673

The subsidiary is incorporated in South Africa and shares the year end of the company.

The carrying amounts of subsidiaries are shown gross of impairment losses.

On 12 December 2017 Trinity Pharma (Pty) Ltd obtain an additional 75% interest in Apollo Life Sciences Holdings (Pty) Ltd for a consideration subject to future earnout clauses. Management's estimate of the acquisition price on acquisition date was R21,000,000. R5,000,000 of the acquisition price was financed through an issue of its own shares (refer to note 11).

Impairment testing: investment in Apollo Life Sciences Holdings (Pty) Ltd - information about key sources of estimation uncertainty

The company based its impairment calculation on detailed budgets and forecasts based on management's and the group's expectations of revenue and growth. The estimated cash flows are based on expected future contracted revenue, operating costs, staff costs and capital expenditure. At year end the company assessed the investment and found carrying amount to be reasonable.

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4. Investments in subsidiaries (continued)

The following were the key model inputs used in determining the recoverable amount:

- assumed discount rate of 20%;
- assumed long-term sustainable growth rate of 7%.

In 2018 an impairment charge of R19,461,359 arose on the investment in Apollo Life Sciences Holdings (Pty) Ltd resulting in its carrying amount of R21,021,032 being written down to a recoverable amount of R1,559,673.

5. Loans to (from) related parties

Subsidiaries

Apollo Life Sciences Holdings (Pty) Ltd	66,468	66,468
The loan is unsecured and interest free with no fixed terms of repayment. Repayment has been deferred for at least 12 months.		
The loan has been subordinated in favour of Apollo Life Sciences Holdings (Pty) Ltd's creditors until such time that its fairly valued assets exceeds its fairly valued liabilities.		
	<u> </u>	<u> </u>

Directors

G.R.N. Simaan	121,180	87,500
The loan is unsecured and interest free with no fixed terms of repayment. Repayment has been deferred for at least 12 months.		
	<u> </u>	<u> </u>

6. Deferred tax

Deferred tax liability	(47,787)	(112,191)
Deferred tax asset	282,041	271,576
Total net deferred tax asset	<u>234,254</u>	<u>159,385</u>

The major components of the deferred tax balance are as follows:

Deferred tax liability

Arising as a result of temporary differences on:

Prepayments	(21,618)	(26,839)
Work in progress	(26,169)	(85,352)
Total deferred tax liability	<u>(47,787)</u>	<u>(112,191)</u>

Deferred tax asset

Arising as a result of temporary differences on:

Deferred income	118,120	37,564
Provisions	82,048	97,019
Share based payment liability	81,873	-
Stock provisions	-	136,993
Total deferred tax asset	<u>282,041</u>	<u>271,576</u>

Reconciliation of deferred tax asset/(liability)

At beginning of period	159,385	58,758
Recognised in profit or loss:		
Movement in temporary differences	74,869	100,627
At end of period	<u>234,254</u>	<u>159,385</u>

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7. Trade and other receivables

Trade receivables	45,582,512	31,567,653
Prepayments	105,913	95,855
Deposits	209,568	211,640
VAT	1,145,617	2,302,470
Staff loans	1,200	9,700
	<u>47,044,810</u>	<u>34,187,318</u>

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for the Reichman's trade facility in terms of a first cession of the debtors book. At period end the facility had a balance of R nil (2018: R nil).

8. Inventories

Pharmaceutical products - Trinity Pharma	10,802,909	14,825,306
Pharmaceutical products - third parties	28,376,986	22,885,419
	<u>39,179,895</u>	<u>37,710,725</u>
Inventories (write-downs)	-	(489,260)
	<u>39,179,895</u>	<u>37,221,465</u>

Inventory pledged as security

Inventory was pledged as security for the Reichmans' trade facility of in terms of a General Notarial Bond. At period end the facility had a balance of R nil (2018: R nil).

Inventory held for third parties

The inventory held for third parties are owned by the company. They are however separately managed and controlled in terms of the agreement with third parties on whose behalf the inventory is sold.

9. Work in progress and receivables

Work in progress and receivables	<u>2,080,886</u>	<u>2,292,253</u>
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Advances received in excess of work completed are included in trade and other payables.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,111	8
Bank balances	<u>11,252,839</u>	<u>12,271,441</u>
	<u>11,253,950</u>	<u>12,271,449</u>

Bank balances includes the following foreign denominated bank accounts:

USD	\$	263	\$	13,320
GBP	£	256	£	255

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11. Share capital

Authorised

4,000 Ordinary shares of R1 each 4,000 4,000

Reconciliation of number of shares issued:

Reported at the beginning of the period 1,445 1,360

Issue of shares – ordinary shares - 85

1,445 **1,445**

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued

1,445 Ordinary shares of R1 each 1,445 1,445

Share premium 24,030,782 24,030,782

24,032,227 **24,032,227**

85 Ordinary shares of R1 each valued at R5,000,000 was issued in 2018 as purchase consideration for the acquisition of 75% interest in Apollo Life Sciences Holdings (Pty) Ltd (refer to note 4).

12. Trade and other payables

Trade payables 63,959,286 69,326,754

Amounts received in advance 2,812,387 561,215

Accrual for GRNI 724,536 -

Employees taxes 199,643 187,416

Accrued expenses 2,037,193 4,398,622

Royalties fees 8,928,098 -

Employee expenses 10,185 -

Amounts due to related parties 14,948 15,045

78,686,276 **74,489,052**

13. Other financial liabilities

At amortised cost

WesBank finance - motor vehicle 176,404 217,192

The loan bears interest at the prime rate and is repayable in 49 monthly instalments of R 5,656.34 each.

Secured by motor vehicle with a book value of R185,437 (2018: R246,250 (refer to note 2).

Deferred purchase creditor: GRN Simaan 21,129,646 16,000,000

On 12 December 2017 Trinity Pharma (Pty) Ltd obtain an additional 75% interest in Apollo Life Sciences Holdings (Pty) Ltd for a consideration subject to future earnout clauses (refer to note 4).

Management's estimate of the acquisition price on acquisition date as R21,000,000. R5,000,000 of the acquisition price was financed through an issue of its own shares (refer to note 11).

The remaining balance is to be paid in two further tranches subject to changes based on the audited financial statements of the company in 2019 and 2020.

In the current year the liability was adjusted in terms of the earnout estimates.

The liability is unsecured and interest free - no payments were due at year end.

21,306,050 **16,217,192**

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13. Other financial liabilities (continued)

Non-current liabilities		
At amortised cost	21,254,780	16,170,887
Current liabilities		
At amortised cost	51,270	46,305
	21,306,050	16,217,192

14. Finance lease liabilities

Minimum lease payments which fall due		
- within one year	67,830	67,876
- in second to fifth year inclusive	141,312	209,285
	209,142	277,161
Less: future finance charges	(32,738)	(59,969)
Present value of minimum lease payments	176,404	217,192

It is company policy to lease certain motor vehicles and equipment under finance leases.

The average lease term is 5 years (2018:5 years) and the borrowing rate is linked to prime at the contract date.

The company's obligations under finance leases are secured by the leased assets. Refer note 2 and 13.

15. Current tax payable (receivable)

The current tax asset include taxes withheld from foreign countries on foreign-sourced income. Excess foreign tax credits may be carried forward to the succeeding year in which it will be available for set-off against taxable income from foreign sources in that year. (refer to the tax computation on page 31).

16. Provisions

Reconciliation of provisions - 2019

	Opening balance	Additions	Utilised during the year	Total
Employee related provisions	346,495	293,027	(346,495)	293,027
Provision for contractual marketing spent	-	292,402	-	292,402
	346,495	585,429	(346,495)	585,429

Reconciliation of provisions - 2018

	Opening balance	Additions	Total
Employee related provisions	257,949	88,546	346,495

17. Revenue

Sale of goods	154,322,836	127,250,674
Rendering of services	1,755,785	2,410,943
Sales as agent for third parties	51,915,090	48,449,356
	207,993,711	178,110,973

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18. Other income

Profit on sale of assets	-	7,291
Exchange gain	731,626	-
Bad debts recovered	-	6,663
Skills development refunds	12,362	-
Recovery of marketing expenses	338,554	556,670
	<u>1,082,542</u>	<u>570,624</u>

19. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges

Premises		
• Contractual amounts	282,036	646,259
	<u>282,036</u>	<u>646,259</u>
Profit on sale of property, plant and equipment	-	(7,291)
Impairment on intangible assets	-	4,558,159
(Profit) / Loss on exchange differences	(731,626)	83,786
Amortisation on intangible assets	60,402	65,296
Depreciation on property, plant and equipment	147,849	159,298
Employee costs	8,531,468	8,228,156
	<u>8,531,468</u>	<u>8,228,156</u>

20. Investment revenue

Interest revenue

Bank	62,824	90,747
Interest received on third party funds	-	190,310
	<u>62,824</u>	<u>281,057</u>

21. Fair value adjustments

Investment in subsidiaries	-	(19,461,359)
Financial liability - Deferred purchase creditor: GRN Simaan	(2,922,321)	-
	<u>(2,922,321)</u>	<u>(19,461,359)</u>

22. Finance costs

Non-current borrowings (present value of interest free loan)	2,207,325	-
Trade and other payables	190	27
Finance leases	20,379	22,885
Bank	-	387
Current borrowings (trade financing and debtors discounting)	246,146	844,168
	<u>2,474,040</u>	<u>867,467</u>

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Notes to the Annual Financial Statements

23. Taxation

Major components of the tax expense

Current taxation

South African normal tax - period	4,369,280	784,920
South African normal tax - prior period (over) under provision	-	40,169
	<u>4,369,280</u>	<u>825,089</u>

Deferred taxation

South African deferred tax - current period	(74,869)	(100,627)
	<u>4,294,411</u>	<u>724,462</u>

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit (loss)	10,151,919	(17,017,457)
Tax at the applicable tax rate of 28% (2018: 28%)	2,842,537	(4,764,888)

Non-deductible expenses

Depreciation on leasehold improvements	1,105	-
Donation	889	-
Unwinding of contingent consideration payable (interest)	618,051	-
	<u>620,045</u>	<u>-</u>

Other

Prior period (over) under provisions in current tax - withholding tax	-	40,169
Adjustments to comply with IFRS: impairment of investment in subsidiary	-	5,449,181
Other	13,579	-
	<u>13,579</u>	<u>5,489,350</u>
	<u>3,476,161</u>	<u>724,462</u>

Unused capital tax losses for which no deferred tax asset has been recognised	19,461,360	19,461,360
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24. Auditors' remuneration

Fees (current year includes interim fee)	142,330	65,000
Accounting, tax, secretarial and other services	23,272	27,165
	<u>165,602</u>	<u>92,165</u>

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25. Cash generated from operations

Profit (loss) before taxation	10,151,919	(17,017,457)
Adjustments for:		
Depreciation and amortisation	208,251	224,594
Profit on sale of assets	-	(7,291)
Interest received	(62,824)	(281,057)
Finance costs	2,474,040	867,467
Fair value adjustments	2,922,321	19,461,359
Impairment loss	-	4,558,159
Movements in provisions	238,934	88,546
Changes in working capital:		
Inventories	(1,958,430)	(14,162,505)
Trade and other receivables	(12,857,492)	(12,487,077)
Construction contracts and receivables	211,367	(304,829)
Trade and other payables	4,197,224	33,332,983
	5,525,310	14,272,892

26. Tax paid

Balance at beginning of the period	210,652	(128,238)
Current tax for the period recognised in profit/loss	(4,369,280)	(825,089)
Balance at end of the period	907,756	(210,652)
	(3,250,872)	(1,163,979)

27. Acquisition of businesses

Fair value of assets acquired		
Apollo Life Sciences Holdings (Pty) Ltd	-	21,087,500
Total net assets acquired	-	21,087,500
Less: Existing share of net assets before acquisition	-	(87,500)
	-	21,000,000
Consideration paid		
Equity - 85 ordinary shares in Trinity Pharma (Pty) Limited	-	(5,000,000)
Purchase creditor - repayable in terms of earnout clause	-	(16,000,000)
	-	(21,000,000)

Refer to Note 4 for acquisition of Apollo Life Sciences Holdings (Pty) Ltd.

28. Commitments

Operating leases -- as lessee (expense)

Minimum lease payments due

- within one year	358,924	-
- in second to fifth year inclusive	1,138,742	-
	1,497,666	-

Operating lease payments represent rentals payable by the company for certain of office premises. Leases are negotiated for an average term of 5 years. No contingent rent is payable.

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Figures in Rand	12 months ended 31 March 2019	13 months ended 31 March 2018
29. Related parties		
Relationships		
Ultimate holding company	Strides Pharma Science Ltd (formerly Strides Shasun Limited) (a company listed on the National Stock Exchange of India and the Bombay Stock Exchange)	
Holding company	Strides Pharma Asia Pte Ltd	
Common control of directors	Kahma Healthcare Group (Pty) Ltd (S. Kahanovitz) Asaco (Pty) Ltd (GRN Simaan)	
Members of key management	Refer to directors' report	
Related party balances and transactions		
Related party balances		
Loan accounts - Owing (to) by related parties		
Purchase Creditor: GRN Simaan (for interest in Apollo Life Sciences Holdings (Pty) Ltd)	(21,129,646)	(16,000,000)
GRN Simaan	121,180	87,500
Apollo Life Sciences Holdings (Pty) Ltd	66,468	66,468
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Intercompany Account - Generic Partners (Pty) Ltd	-	17,362
Intercompany Account - Apollo Life Sciences Holdings (Pty) Ltd	(14,948)	(15,045)
GRN Simaan	-	(6,816)
Apollo Life Sciences Holdings (Pty) Ltd - trade receivable	72,888	789
Apollo Life Sciences Holdings (Pty) Ltd - trade payable	(952)	(434)
Generic Partners (Pty) Ltd - trade payable	(728,272)	(99,870)
Generic Partners (Pty) Ltd - trade receivable	28,600	-
Generic Partners (Pty) Ltd (USD)	-	(141,448)
Generic Partners UK Ltd (EUR)	-	145,880
Generic Partners (Pty) Ltd (accrued profit share at year end)	-	(233,491)
Strides Pharma (SA) Pty Limited, South Africa	202,720	-
Strides Pharma Science Limited (Strides Shasun Limited), India	6,469	-
Related party transactions		
Purchases from (sales to) related parties		
Generic Partners (Pty) Ltd (profit share, products and dossiers)	3,352,766	7,198,805
Generic Partners (Pty) Ltd	(28,600)	-
Apollo Life Sciences Holdings (Pty) Ltd (profit share)	-	468,627
Apollo Life Sciences Holdings (Pty) Ltd	(63,381)	-
Strides Pharma (SA) Pty Limited, South Africa	(326,091)	-
Strides Pharma Science Limited (Strides Shasun Limited), India	(6,469)	-
Strides Pharma UK Limited (formerly Co-Pharma Limited, UK)	20,222	-
Recharge of operating expenses (to) / from related parties		
Apollo Life Sciences Holdings (Pty) Ltd	(38,718)	(158,363)
Generic Partners (Pty) Ltd	-	(46,141)

Trinity Pharma (Pty) Ltd

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Annual Financial Statements for the period ended 31 March 2019

Notes to the Annual Financial Statements

	12 months ended 31 March 2019	13 months ended 31 March 2018
Figures in Rand		
30. Directors' remuneration		
Executive		
2019		
G.R.N. Simaan	Emoluments 1,941,929	Total 1,941,929
2018		
G.R.N. Simaan	Emoluments 2,081,985	Total 2,081,985

Trinity Pharma (Pty) Ltd

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Annual Financial Statements for the period ended 31 March 2019

Detailed Income Statement

Figures in Rand	Note(s)	12 months ended 31 March 2019	13 months ended 31 March 2018
Revenue	17	207,993,711	178,110,973
Cost of sales			
Opening stock		(37,710,725)	(23,058,960)
Purchases		(182,752,336)	(173,532,395)
Closing stock		39,179,895	37,710,725
		(181,283,166)	(158,880,630)
Gross profit		26,710,545	19,230,343
Other income			
Bad debts recovered		-	6,663
Skills development refunds		12,362	-
Recovery of marketing expenses		338,554	556,670
Interest received	20	62,824	281,057
Gains on disposal of assets		-	7,291
Exchange gain		731,626	-
		1,145,366	851,681
Expenses (Refer to page 30)		(12,307,631)	(16,770,655)
Operating profit	19	15,548,280	3,311,369
Finance costs	22	(2,474,040)	(867,467)
Fair value adjustments	21	(2,922,321)	(19,461,359)
		(5,396,361)	(20,328,826)
Profit (loss) before taxation		10,151,919	(17,017,457)
Taxation	23	(4,294,411)	(724,462)
Profit (loss) for the period		5,857,508	(17,741,919)

Trinity Pharma (Pty) Ltd

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Annual Financial Statements for the period ended 31 March 2019

Detailed Income Statement

Figures in Rand	Note(s)	12 months ended 31 March 2019	13 months ended 31 March 2018
Operating expenses			
Administration and management fees		-	239,000
Advertising		1,239,933	1,145,505
Auditors remuneration	24	165,602	92,165
Bank charges		53,445	44,136
Cleaning		7,606	15,681
Computer expenses		166,825	132,628
Consulting and professional fees		476,060	113,847
Depreciation, amortisation and impairments		208,251	4,782,753
Employee costs		8,531,468	8,228,156
Entertainment		24,691	9,003
Recruitment expenses		51,592	-
Insurance		165,945	168,634
Lease rentals on operating lease		282,036	646,259
Municipal expenses		36,521	102,353
General office expenses		22,774	134,574
Postage		25,004	33,270
Printing and stationery		125,002	105,241
Loss on exchange differences		-	83,786
Repairs and maintenance		42,155	17,508
Security		14,733	11,050
Staff welfare		94,407	75,992
Subscriptions		75,232	85,321
Telephone and fax		92,959	92,762
Training		55,502	56,119
Travel - local		224,255	240,958
Travel - overseas		125,633	113,954
		12,307,631	16,770,655