

APOLLO LIFE SCIENCES HOLDINGS (PTY) LTD
(Registration number 2016/470529/07)

Annual Financial Statements
for the period ended 31 March 2019

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

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 29.10.2019

Apollo Life Sciences Holdings (Pty) Ltd

(Registration number: 2016/470529/07)

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	Marketing and sale of pharmaceutical products
Directors	A.J. Mehta S. Kahanovitz G.R.N. Simaan
Registered office	106 16th Road Midrand Johannesburg 1686
Postal address	P.O. Box 68687 Bryanston Johannesburg South Africa 2021
Auditors	DNL Associates Inc. Chartered Accountants (SA) Registered Auditors 280 Brooks Street Brooklyn Pretoria, 0181 PO Box 2523 Brooklyn Square 0075
Tax reference number	9301468170
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: J.H. Coetzer Chartered Accountant (S.A.)

Apollo Life Sciences Holdings (Pty) Ltd

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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 5.

Approval of financial statements:

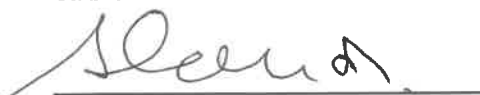
The annual financial statements set out on pages 7 to 18, which have been prepared on the going concern basis, were approved by the board of directors on 27/09/2019 and were signed on its behalf by:



G.R.N. Simaan



A.J. Mehta



S. Kahanovitz

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(Registration number: 2016/470529/07)

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Directors' Report

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

1. Nature of business

Apollo Life Sciences Holdings (Pty) Ltd was incorporated in South Africa with interests in the pharmaceutical industry. The company operates in South Africa.

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

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

4. Dividends

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

5. Directors

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

Directors	Nationality
A.J. Mehta	India
S. Kahanovitz	
G.R.N. Simaan	

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

6. Holding company

The company's holding company is Trinity Pharma (Pty) Ltd which holds 100% (2018 100%) of the company's equity. Trinity Pharma (Pty) Ltd is incorporated in South Africa.

7. 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) which is incorporated in India.

8. 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.

9. 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.

The going concern has been addressed in note 18 in the annual financial statements.



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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Brooklyn, 0181

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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 Apollo Life Sciences Holdings (Pty) Ltd

Opinion

We have audited the annual financial statements of Apollo Life Sciences Holdings (Pty) Ltd set out on pages 7 to 17, 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 Apollo Life Sciences Holdings (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.

Material uncertainty related to going concern

We draw attention to note 18 in the annual financial statements, which indicates that the company incurred a net loss of R182,220 during the year ended 31 March 2019 and, as of that date, the company's total liabilities exceeded its total assets by R276,098. As stated in note 18, these events or conditions, along with other matters as set forth in note 18, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Comprehensive Income 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.

Independent Auditor's Report

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.


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.
A.J.J. de Lange
Director
Chartered Accountants (SA)
Registered Auditor

29.10.2019
280 Brooks Street
Brooklyn
Pretoria, 0181

Apollo Life Sciences Holdings (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			
Intangible assets	2	161,988	161,988
Deferred tax	4	-	70,144
		<u>161,988</u>	<u>232,132</u>
Current Assets			
Inventories		334	-
Trade and other receivables	5	28,500	4,350,920
Cash and cash equivalents	6	3,230	25,737
		<u>32,064</u>	<u>4,376,657</u>
Total Assets		<u>194,052</u>	<u>4,608,789</u>
Equity and Liabilities			
Equity			
Share capital	7	100	100
Retained income		(276,198)	(93,978)
		<u>(276,098)</u>	<u>(93,878)</u>
Liabilities			
Non-Current Liabilities			
Loans from shareholders	3	269,293	269,293
Current Liabilities			
Trade and other payables	8	200,857	4,433,374
Total Liabilities		<u>470,150</u>	<u>4,702,667</u>
Total Equity and Liabilities		<u>194,052</u>	<u>4,608,789</u>

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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			
Sale of goods		7,144,725	20,074,750
Group recharges in terms of product agreements		22,510	402,850
	9	<u>7,167,235</u>	<u>20,477,600</u>
Cost of sales			
Purchases		(7,166,989)	(20,079,804)
Closing stock		334	-
		<u>(7,166,655)</u>	<u>(20,079,804)</u>
Gross profit		580	397,796
Other income			
Interest received	11	54	123
Gains on disposal of assets		-	399,178
		<u>54</u>	<u>399,301</u>
Operating expenses			
Accounting fees		(2,634)	-
Advertising		-	(20,000)
Auditors remuneration	14	(33,500)	(8,634)
Bank charges		(933)	(981)
Cleaning		(590)	-
Computer expenses		(7,509)	(2,121)
Entertainment		(4,667)	-
Regulatory expenses		-	(137,638)
Insurance		(1,250)	-
Lease rentals on operating lease		(50,781)	-
Municipal expenses		(6,682)	-
Printing and stationery		-	(204)
Repairs and maintenance		(634)	-
Security		(3,530)	-
Subscriptions		-	(750)
		<u>(112,710)</u>	<u>(170,328)</u>
Operating (loss) profit	10	(112,076)	626,769
Finance costs	12	-	(1,900)
(Loss) profit before taxation		(112,076)	624,869
Taxation	13	(70,144)	(153,141)
(Loss) profit for the period		(182,220)	471,728
Other comprehensive income		-	-
Total comprehensive (loss) income for the period		(182,220)	471,728

Apollo Life Sciences Holdings (Pty) Ltd

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Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 April 2017	100	(565,706)	(565,606)
Profit for the period	-	471,728	471,728
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	471,728	471,728
Balance at 01 April 2018	100	(93,978)	(93,878)
Loss for the period	-	(182,220)	(182,220)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(182,220)	(182,220)
Balance at 31 March 2019	100	(276,198)	(276,098)
Note(s)	7		

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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		11,489,655	16,602,690
Cash paid to suppliers and employees		(11,512,216)	(16,909,792)
Cash used in operations	15	(22,561)	(307,102)
Interest income		54	123
Finance costs		-	(1,900)
Net cash from operating activities		(22,507)	(308,879)
Cash flows from investing activities			
Purchase of intangible assets	2	-	(101,831)
Sale of intangible assets	2	-	421,053
Net cash from investing activities		-	319,222
Cash flows from financing activities			
Repayment of shareholders loan		-	15,394
Net cash from financing activities		-	15,394
Total cash movement for the period		(22,507)	25,737
Cash at the beginning of the period		25,737	-
Total cash at end of the period	6	3,230	25,737

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Annual Financial Statements for the period ended 31 March 2019

Accounting Policies

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, except for biological assets at fair value less point of sale costs, 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

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial period as a result of the key estimation assumptions.

1.2 Intangible assets

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:

Dossiers

The directors showed their intention to maintain 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.

1.3 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

1.3 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

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.

1.4 Tax

Current tax assets and liabilities

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

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

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.

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.

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that intangible assets may be impaired.

Apollo Life Sciences Holdings (Pty) Ltd

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Annual Financial Statements for the period ended 31 March 2019

Accounting Policies

1.5 Impairment of assets (continued)

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.

1.6 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 services performed to date as a percentage of total services to be 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.

1.7 Borrowing costs

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

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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		
2. Intangible assets						
	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Dossiers	161,988	-	161,988	161,988	-	161,988
3. Loans to (from) shareholders						
GRN Simaan				(202,825)		(202,825)
Trinity Pharma (Pty) Ltd				(66,468)		(66,468)
<p>These loans are unsecured and interest free with no fixed terms of repayment. Repayment has been deferred for at least 12 months. The loans have been subordinated in favour of the company's creditors until such time that its fairly valued assets exceeds its fairly valued liabilities.</p>						
				<u>(269,293)</u>		<u>(269,293)</u>
4. Deferred tax						
The major components of the deferred tax balance are as follows:						
Deferred tax asset						
Arising as a result of temporary differences on:						
Tax losses available for set off against future taxable income				-		70,144
Reconciliation of deferred tax asset/(liability)						
At beginning of period				70,144		223,285
Recognised in profit or loss:						
Benefit of previously unrecognised tax loss				(70,144)		(153,141)
At end of period				<u>-</u>		<u>70,144</u>
5. Trade and other receivables						
Trade receivables				952		4,331,680
VAT				12,600		4,195
Amounts due from related parties				14,948		15,045
				<u>28,500</u>		<u>4,350,920</u>
6. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Bank balances				3,230		25,737

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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
7. Share capital		
Authorised 1,000 Ordinary shares of No Par Value		
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 100 Ordinary shares of No Par Value	100	100
8. Trade and other payables		
Trade payables	118,825	4,351,342
Accrued expenses	82,032	82,032
	200,857	4,433,374
Included in trade payables is an amount of R 72,888 due to Trinity Pharma (Pty) Ltd, this amount have been subordinated in favour of the company's creditors until such time that its fairly valued assets exceeds its fairly valued liabilities.		
9. Revenue		
Sale of goods	7,144,725	20,074,750
Group recharges in terms of product agreements	22,510	402,850
	7,167,235	20,477,600
10. Operating (loss) profit		
Operating (loss) profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	50,781	-
Profit on sale of intangible assets (dossiers)	-	(399,178)
11. Investment revenue		
Interest revenue		
Bank	54	123
12. Finance costs		
Late payment of tax	-	1,900

Apollo Life Sciences Holdings (Pty) Ltd

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Annual Financial Statements for the period ended 31 March 2019

Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 March 2019	13 months ended 31 March 2018
13. Taxation		
Major components of the tax expense		
Deferred taxation		
South African deferred tax - current period	70,144	153,141
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting (loss) profit	(112,076)	624,869
Tax at the applicable tax rate of 28% (2018: 28%)	(31,381)	174,963
Non-deductible expenses		
Non-deductible interest and penalties - taxes	-	532
	<u>-</u>	<u>532</u>
Other		
Capital gains tax differential	-	(22,354)
Assessed losses not utilised	101,525	-
	<u>101,525</u>	<u>(22,354)</u>
	<u>70,144</u>	<u>153,141</u>
No provision has been made for 2019 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 362,589 (2018: R 250,513).		
14. Auditors' remuneration		
Fees	25,500	-
Tax and secretarial services	8,000	8,634
	<u>33,500</u>	<u>8,634</u>
15. Cash used in operations		
(Loss) profit before taxation	(112,076)	624,869
Adjustments for:		
Profit on sale of assets	-	(399,178)
Interest received	(54)	(123)
Finance costs	-	1,900
Changes in working capital:		
Inventories	(334)	-
Trade and other receivables	4,322,420	(4,274,088)
Trade and other payables	(4,232,517)	3,739,518
	<u>(22,561)</u>	<u>(307,102)</u>

Apollo Life Sciences Holdings (Pty) Ltd

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Annual Financial Statements for the period ended 31 March 2019

Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 March 2019	13 months ended 31 March 2018
16. Related parties		
Relationships		
Ultimate holding company	Strides Pharma Science Ltd (formerly Strides Shasun Limited) (a company listed on the National Stock Exchange of India)	
Holding company	Trinity Pharma (Pty) Ltd	
Members of key management	Refer to directors report	
Related party balances and transactions		
Related party balances		
Loan accounts - Owing (to) by related parties		
Trinity Pharma (Pty) Ltd	(66,468)	(66,468)
G.R.N. Simaan	(202,825)	(202,825)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Trinity Pharma (Pty) Ltd - trade payables	(72,888)	(789)
Trinity Pharma (Pty) Ltd - trade receivable	952	434
Trinity Pharma (Pty) Ltd - Intercompany account	14,948	15,045
K2 Medical (Pty) Ltd - trade payables	(43,485)	-
Related party transactions		
Recharge of operating expenses (to) / from related parties		
Trinity Pharma (Pty) Ltd	66,468	158,363
K2 Medical (Pty) Ltd	72,028	-
Revenue recharges (to) / from related parties		
Trinity Pharma (Pty) Ltd	38,718	(468,627)

17. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the period.

18. Going concern

We draw attention to the fact that at 31 March 2019, the company had accumulated losses of R 276,198 and that the company's total liabilities exceed its assets by R 276,098.

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 3&8 of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

Apollo Life Sciences Holdings (Pty) Ltd

(Taxpayer reference number 9301468170)

(Registration number: 2016/470529/07)

Annual Financial Statements for the period ended 31 March 2019

Tax Computation

Figures in Rand	2019	2018
Net loss per income statement	(112,076)	624,869
Permanent differences (Non-deductible/Non taxable items)		
Interest, penalties paid in respect of taxes (s23(d))	-	1,900
Accounting profit on disposal of intangible assets	-	(399,178)
	-	(397,278)
Capital gains (Local)		
Proceeds with sale of intangible assets	-	421,053
Base cost	-	(21,875)
Capital gain	-	399,178
	-	319,342
Taxable capital gain included @ 80.0% (2018: 80.0%)		
	-	319,342
Calculated tax loss for the period	(112,076)	546,933
Assessed loss brought forward	(250,513)	(797,446)
Assessed loss for period - carried forward	(362,589)	(250,513)
Tax thereon @ 28% in the Rand	-	-