Trinity Pharma Proprietary Limited

(Registration number 2003/020397/07)

Annual Financial Statements
for the year ended 31 March 2024

These annual financial statements were prepared by:
Laminin Accounting and Tax
Associate General Accountant (SA)

DNL Associates Inc.
Chartered Accountants (SA)
Registered Auditor

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

Issued 18/07/2024

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. Kahanovitz V. Kumar V. Rajasekar
Registered office	3 Gwen Lane Fourth Floor Sandton South Africa 2021
Business address	3 Gwen Lane Fourth Floor Sandton South Africa 2021
Postal address	PO Box 68687 Bryanston Johannesburg South Africa 2021
Holding company	Strides Pharma Asia Pte Ltd incorporated in Singapore
Ultimate holding company	Strides Pharma Science Ltd (a company listed on the National Stock Exchange of India Limited and the BSE Limited) incorporated in India
Bankers	Investec Bank Ltd Bidvest Bank First National Bank
Auditors	DNL Associates Inc. Chartered Accountants (SA) Registered Auditor
Tax reference number	9676714141
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Contents

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the 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 year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 year to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 9 to 50, which have been prepared on the going concern basis, were approved by the board of directors on 18/07/2024 and were signed on their behalf by:

Approval of financial statements

Director **Director**

Johannesburg

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Trinity Pharma Proprietary Limited for the year ended 31 March 2024.

1. Nature of business

Trinity Pharma Proprietary Limited was incorporated in South Africa with interests in the registration and marketing of pharmaceutical products industry.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

3. Share capital

Issued	2024	2023	2024	2023
	Percentage held		Number of shares	
Strides Pharma Asia Pte Ltd	51.76 %	51.76 %	748	748
Juno Pharma South Africa Proprietary Limited	28.24 %	28.24 %	408	408
Asaco Trinity Proprietary Limited	20.00 %	20.00 %	289	289
	100.00 %	**100.00 %**	**1 445**	**1 445**

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 of South Africa. 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. Interests in subsidiaries

Details of material interests in subsidiaries are presented in the annual financial statements in note 6.

Directors' Report

7. Directorate

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

Directors
G.R.N. Simaan
S. Kahanovitz
V. Kumar
V. Rajasekar

8. Directors' interests in shares

As at 31 March 2024, the directors of the company held direct and indirect beneficial interests consisting of 10% (2023: 10%) 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.

9. Holding company

The company's holding company is Strides Pharma Asia Pte Ltd which holds 51.76% (2023: 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 (a company listed on the National Stock Exchange of India Limited and the BSE Limited) which is incorporated in India.

11. Consolidation

Consolidated financial statements are prepared by the ultimate holding company on a group level.

12. Going concern

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.

13. 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.

DNL Associates Incorporated
Chartered Accountants (SA) & Registered Auditors

MEMBER OF SAICA THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS

Chartered Accountants Worldwide Network Member

Registration Number: 2013/186618/21 • SAICA Firm Number: 08258422 • IRBA Practice Number: 902003
Director: AJJ de Lange – B.Com(Hons), M.Com(Tax), CA(SA), RA, Registered Tax Practitioner
280 Brooks Street, Brooklyn, Pretoria, 0181 • PO Box 2523, Brooklyn Square, 0075
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Independent Auditor's Report

To the Shareholders of Trinity Pharma Proprietary Limited

Opinion

We have audited the annual financial statements of Trinity Pharma Proprietary Limited (the company) set out on pages 9 to 46, which comprise the statement of financial position as at 31 March 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trinity Pharma Proprietary Limited annual financial statements for the year ended 31 March 2024", which includes the Directors' Report as required by the Companies Act of South Africa. The 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, 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 Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of 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.

Auditor's 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.

Date: 18/07/2024

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

280 Brooks Street
Brooklyn
Pretoria
South Africa
0181

Practitioner's Compilation Report

To the Shareholders of Trinity Pharma Proprietary Limited

We have compiled the annual financial statements of Trinity Pharma Proprietary Limited, as set out on pages 9 to 46, based on information you have provided. These annual financial statements comprise the statement of financial position of Trinity Pharma Proprietary Limited as at 31 March 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in accordance with International Financial Reporting Standards. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These annual financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in accordance with International Financial Reporting Standards.

Date: 18/07/2024

Laminin Accounting and Tax
Director: C. Croukamp
Associate General Accountant (SA)

FinTech Campus
81 Botterklapper Street
The Willows
Pretoria
0081

Trinity Pharma Proprietary Limited
(Registration number 2003/020397/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

	Note(s)	2024 R	2023 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	2 646 076	1 650 812
Right-of-use assets	4	2 797 382	2 674 254
Intangible assets	5	44 911 011	41 189 552
Investments in subsidiaries	6	21 730 100	100
Deferred tax	9	2 046 357	1 673 926
		74 130 926	**47 188 644**
Current Assets			
Inventories	10	191 189 255	143 274 284
Loans to group companies	7	44 035 714	7 887 895
Work in progress and receivables	11	1 338 792	1 373 243
Loans receivable	8	-	2 182 610
Trade and other receivables	12	153 883 626	131 046 346
Current tax receivable		537 660	1 280 311
Cash and cash equivalents	13	8 932 500	4 622 512
		399 917 547	**291 667 201**
Total Assets		**474 048 473**	**338 855 845**
Equity and Liabilities			
Equity			
Share capital	14	24 032 227	24 032 227
Retained income		91 946 407	64 321 822
		115 978 634	**88 354 049**
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	2 405 943	2 384 715
Current Liabilities			
Trade and other payables	17	238 418 825	200 379 129
Loans from group companies	15	9 344 047	-
Loans from shareholders	15	18 263 675	11 021 130
Other financial liabilities	16	453 573	-
Lease liabilities	4	1 048 109	604 972
Provisions	18	3 549 316	2 268 248
Bank facilities	13	84 586 351	33 843 602
		355 663 896	**248 117 081**
Total Liabilities		**358 069 839**	**250 501 796**
Total Equity and Liabilities		**474 048 473**	**338 855 845**

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2024 R	2023 R
Revenue	19	613 193 590	471 989 790
Cost of sales		(502 543 309)	(385 963 081)
Gross profit		**110 650 281**	**86 026 709**
Other operating income	20	1 007 600	795 390
Other operating losses	21	(2 124 725)	(2 741 573)
Other operating expenses		(70 502 956)	(44 748 323)
Operating profit	22	**39 030 200**	**39 332 203**
Investment income	23	2 067 909	1 015 425
Finance costs	24	(11 855 809)	(8 093 207)
Gain realized on interest free loan	25	6 158 978	-
Profit before taxation		**35 401 278**	**32 254 421**
Taxation	26	(7 776 695)	(8 495 120)
Profit for the year		**27 624 583**	**23 759 301**
Other comprehensive income		-	-
Total comprehensive income for the year		**27 624 583**	**23 759 301**

Statement of Changes in Equity

	Share capital R	Share premium R	Total share capital R	Retained income R	Total equity R
Balance at 01 April 2022	**1 445**	**24 030 782**	**24 032 227**	**40 562 521**	**64 594 748**
Profit for the year	-	-	-	23 759 301	23 759 301
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**23 759 301**	**23 759 301**
Balance at 01 April 2023	**1 445**	**24 030 782**	**24 032 227**	**64 321 824**	**88 354 051**
Profit for the year	-	-	-	27 624 583	27 624 583
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**27 624 583**	**27 624 583**
Balance at 31 March 2024	**1 445**	**24 030 782**	**24 032 227**	**91 946 407**	**115 978 634**
Note(s)	14	14	14		

Trinity Pharma Proprietary Limited

(Registration number 2003/020397/07)
Annual Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

	Note(s)	2024 R	2023 R
Cash flows from operating activities			
Cash receipts from customers		593 701 817	451 994 073
Cash paid to suppliers and employees		(581 166 280)	(431 276 988)
Cash generated from operations	27	12 535 537	20 717 085
Interest income		2 043 441	1 015 425
Finance costs		(5 057 733)	(8 093 207)
Tax paid	28	(7 406 475)	(9 801 983)
Net cash from / (utilised in) operating activities		**2 114 770**	**3 837 320**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 475 150)	(1 717 966)
Sale of property, plant and equipment	3	213 180	17 457
Cash additions to right-of-use assets	3	(766 416)	(2 962 027)
Purchase of intangible assets	5	(7 685 633)	(4 470 852)
Sale of intangible assets	5	591 624	-
Loans to group entities		(36 147 819)	(3 236 833)
Payments received from loans receivables		2 182 610	(2 182 610)
Other cash movements		453 573	-
Net cash utilised in investing activities		**(42 634 031)**	**(14 552 831)**
Cash flows from financing activities			
Proceeds from / (repayment of) other financial liabilities		-	(350 499)
Repayment of shareholders loan		-	(1 906 805)
Payment on lease liabilities		(770 092)	2 989 687
Repayment of borrowing		(5 143 408)	-
Net cash from / (utilised in) financing activities		**(5 913 500)**	**732 383**
Total cash movement for the year		**(46 432 761)**	**(9 983 128)**
Cash at the beginning of the year		(29 221 090)	(19 237 962)
Total cash at end of the year	13	**(75 653 851)**	**(29 221 090)**

Accounting Policies

Corporate information

Trinity Pharma Proprietary Limited is a private company incorporated and domiciled in South Africa.

1. Material accounting policies

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

1.1 Basis of preparation

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

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

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

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management, key assumptions and other sources of estimation uncertainty in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Intangible assets

Indefinite useful life intangible assets
Significant judgement is needed by management when determining the classification of intangible assets as finite or indefinite useful life assets. An indefinite useful life intangible asset is an intangible asset where there is no foreseeable limit to the period over which the asset is expected to generate future economic benefits for the company.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives

The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product lifecycles and maintenance programmes. Management has made certain estimates with regards to the determination of estimated useful lives of intangible assets, as disclosed further in accounting policy note 1.4 - Intangible assets.

Impairment

Finite useful life intangible assets are reviewed annually, but only assessed for impairment when there are impairment indicators. Impairment testing is performed by comparing the recoverable amount to the carrying amount of the intangible asset. The recoverable amounts of the intangible assets are determined as the higher of value-in-use and fair value less costs to sell.

Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value-in-use. Future cash flows are estimated based on the most recent budgets and forecasts approved by management covering a period of up to eight years and are extrapolated over the useful life of the asset to reflect the long-term plans of the company using the estimated growth rate for the specific business or product. The estimated future cash flows and discount rates used are pre-tax based on an assessment of the current risks applicable to the specific asset and/or entity and country in which it operates or the product is sold.
Management determines the expected performance of the assets based on the following:

- an assessment of existing products against past performance and market conditions;
- an assessment of existing products against existing market conditions; and
- the pipeline of products under development, applying past experiences of launch success and existing market conditions.

Amortisation rates and residual values

The company amortises its assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product lifecycles and maintenance programmes. Significant judgement is applied by management when determining the residual values for intangible assets. Only in the event of contractual obligations in terms of which a termination consideration is payable to the company will management apply a residual value to the intangible asset.

Impairment of investments held at cost

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount which is 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.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

In calculating VIU, the estimated future cash flows are discounted to their present value using a after-tax discount rate that reflects current market assessments of the time value of money and the risks spesific 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 transaction 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 asset's performance, whereas anticipated enhancements to assets are included in FVLCD calculations.

For the key model inputs used in determining the recoverable amount refer to note 6. Impairment losses of investments are recognised in the statement of profit or loss and other comprehensive income.

1.3 Property, plant and equipment

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

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

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

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

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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
Motor vehicles	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 year 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.

Accounting Policies

1.3 Property, plant and equipment (continued)

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.

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.

1.4 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity;
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

Finite intangible assets are recognised at cost and amortised on a straight-line basis over their estimated remaining useful lives. Estimated useful lives are reviewed annually.

Development costs: expenditure on acquired patents, trademarks, dossiers, licences and know-how is capitalised. Expenditure incurred to extend the term of the patents or trademarks is capitalised. All other expenditure is charged to the statement of comprehensive income when incurred. Development costs are amortised from the commencement of the commercial sale of the product to which they relate, being the date at which all regulatory requirements necessary to commercialise the product are met.

Accounting Policies

1.4 Intangible assets (continued)

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

Item	Depreciation method	Average useful life
Trademarks	Straight line	20 years
Dossiers	Straight line	20 years
Business models	Straight line	10 years
Computer software	Straight line	3 years

1.5 Investments in subsidiaries

Investments in subsidiaries are carried 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.

1.6 Financial instruments

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

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

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss.

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

Financial liabilities:
- Amortised cost; or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 31 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

1.6 Financial instruments (continued)

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

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

Loans receivable at amortised cost

Classification

Loans to / (from) group companies (note 7) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) / gains (note 21).

Details of foreign currency risk exposure and the management thereof are provided in the specific notes.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 12).

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

Accounting Policies

1.6 Financial instruments (continued)

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Borrowings and loans from related parties

Classification

Loans from group companies (note 7), loans from shareholders (note 15) and borrowings (note 16) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

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

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

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 24.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

Loans denominated in foreign currencies

When borrowings are denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) / gains (note 21).

Details of foreign currency risk exposure and the management thereof are provided in the specific loan notes and in the financial instruments and risk management (note 31).

Accounting Policies

1.6 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 24).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss. Refer to note 31.

When a financial liability is contingent consideration in a business combination, the company classifies it as a financial liability at fair value through profit or loss. Refer to note 31.

The company, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss. Refer to note 31 for details.

1.6 Financial instruments (continued)

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 21).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the company's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 24).

Cash and cash equivalents

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

Bank overdrafts

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

Derecognition

Financial assets

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

Financial liabilities

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

1.6 Financial instruments (continued)

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.7 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

The corporate income tax rate will be lowered to 27 per cent (from 28 per cent) for companies with years of assessment commencing on or after 1 April 2022 and deferred tax has been adjusted accordingly where applicable.

Accounting Policies

1.7 Tax (continued)

Tax expenses

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

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

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

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

Withholding taxes

Witholding taxes are withheld by 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.

1.8 Leases

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

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

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

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

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.9 Inventories

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

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

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

Accounting Policies

1.9 Inventories (continued)

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

The cost of inventory acquired from Heraeus Medical GmbH (Germany) is measured on the retail method in terms of an Exclusive Distribution Agreement whereby the cost of inventory is adjusted every year based on actual sales and related costs for that year.

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

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

1.10 Work in progress and receivables

Where the outcome of a 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 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.

1.11 Impairment of assets

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

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

1.12 Share capital and equity

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

1.12 Share capital and equity (continued)

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

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.14 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.15 Revenue from contracts with customers

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

Revenue is recognised based on the completion of performance obligations and an assessment of when control is transferred to the customer.

The following indicators are used by the company in determining when control has passed to the customer:
- the company has a right to payment for the product or service;
- the customer has legal title to the product;
- the company has transferred physical possession of the product to the customer;
- the customer has the significant risk and rewards of ownership of the product; and
- the customer has accepted the product.

Accounting Policies

1.15 Revenue from contracts with customers (continued)

Revenue is measured based on the consideration specified in a contract with a customer and in compliance with legislated pricing. The company evaluates the following control indicators among others when determining whether it is acting as a principal or agent in the transactions with customers and recording revenue on a net basis:

- the company is primarily responsible for fulfilling the promise to provide the specified goods or service;
- the company has inventory risk before the specified goods or service has been transferred to a customer or after transfer of control to the customer; and
- the company has discretion in establishing the price for the specified goods or service, excluding pricing set according to regulations.

No significant element of financing is deemed present as the sales are made with credit terms less than one year.

The company recognises revenue from the following major sources:

Sale of goods

Revenue is recognised at a point in time when control of the products supplied has transferred, being when the products are delivered to the customer. Delivery occurs when the products has been dispatched to the specific location, the risks of obsolescence and loss have been transferred and the customer accepted the products in accordance with the sales contract. Revenue is recorded at the price specified in the contract in compliance with regulated pricing in regulated markets, net of discounts and value added tax. Revenue and receivables are recorded when control of the products are transferred as this is the point in time that the consideration is unconditional as only the passage of time is required before payment is due.

1.16 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.

1.17 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.18 Translation of foreign currencies

Foreign currency transactions

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

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

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

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

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

Exchange rates at year end were:
1 USD = R18.9172
1 EUR = R20.4071
1 GBP = R23.8842

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Initial application of IFRS 17 and IFRS 9 - Comparative information	01 January 2023	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	01 January 2023	Unlikely there will be a material impact
• Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	01 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company’s accounting periods beginning on or after 1 January 2023 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact

3. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	1 721 657	(228 702)	1 492 955	1 118 026	(76 307)	1 041 719
Motor vehicles	838 009	(354 394)	483 615	304 064	(304 063)	1
Office equipment	256 686	(94 087)	162 599	234 021	(136 431)	97 590
IT equipment	672 271	(333 425)	338 846	524 237	(207 142)	317 095
Leasehold improvements	237 433	(69 379)	168 054	218 506	(24 106)	194 400
Text books	21 327	(21 320)	7	21 327	(21 320)	7
Total	**3 747 383**	**(1 101 307)**	**2 646 076**	**2 420 181**	**(769 369)**	**1 650 812**

Notes to the Annual Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals / scrappings	Depreciation	Total
Furniture and fixtures	1 041 719	603 632	-	(152 396)	1 492 955
Motor vehicles	1	533 945	-	(50 331)	483 615
Office equipment	97 590	106 356	(1 080)	(40 267)	162 599
IT equipment	317 095	212 290	(5 438)	(185 101)	338 846
Leasehold improvements	194 400	18 927	-	(45 273)	168 054
Text books	7	-	-	-	7
	1 650 812	**1 475 150**	**(6 518)**	**(473 368)**	**2 646 076**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals / scrappings	Depreciation	Total
Furniture and fixtures	9 416	1 112 897	(6 838)	(73 756)	1 041 719
Motor vehicles	2 835	-	-	(2 834)	1
Office equipment	58 094	71 813	(78)	(32 239)	97 590
IT equipment	131 870	314 750	(14 674)	(114 851)	317 095
Leasehold improvements	17 538	218 506	(12 658)	(28 986)	194 400
Text books	7	-	-	-	7
	219 760	**1 717 966**	**(34 248)**	**(252 666)**	**1 650 812**

Registers with details of property, plant and equipment are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

4. Right-of-use assets and lease liabilities

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

Net carrying amounts of right-of-use assets

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

Buildings	2 797 382	2 674 254

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 22), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	653 288	287 773

Notes to the Annual Financial Statements

4. Right-of-use assets and lease liabilities (continued)

Other disclosures

Interest expense on lease liabilities	353 025	165 262
Expenses on short-term leases included in operating expenses	19 850	177 980
Interest received on deposit on lease	(24 952)	(10 252)

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	943 093	642 731
Two to five years	3 216 340	3 280 997
	4 159 433	3 923 728
Less finance charges component	(810 397)	(934 041)
Present value of minimum lease payments	**3 349 036**	**2 989 687**
Non-current liabilities	2 405 943	2 384 715
Current liabilities	943 093	604 972
	3 349 036	**2 989 687**

5. Intangible assets

	2024			**2023**		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Trademarks	8 040	(3 682)	4 358	8 040	(3 127)	4 913
Business models	600 000	(599 999)	1	600 000	(599 999)	1
Dossiers	49 527 157	(4 620 505)	44 906 652	44 760 280	(3 575 642)	41 184 638
Total	**50 135 197**	**(5 224 186)**	**44 911 011**	**45 368 320**	**(4 178 768)**	**41 189 552**

Reconciliation of intangible assets - 2024

	Opening balance	**Additions**	**Disposals**	**Amortisation**	**Total**
Trademarks	4 913	-	-	(555)	4 358
Business models	1	-	-	-	1
Dossiers	41 184 638	7 685 633	(2 313 184)	(1 650 435)	44 906 652
	41 189 552	**7 685 633**	**(2 313 184)**	**(1 650 990)**	**44 911 011**

	2024	2023
	R	R

5. Intangible assets (continued)

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Trademarks	5 469	-	-	(556)	4 913
Business models	1	-	-	-	1
Dossiers	38 192 864	11 520 507	(7 049 656)	(1 479 077)	41 184 638
	38 198 334	**11 520 507**	**(7 049 656)**	**(1 479 633)**	**41 189 552**

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.

A number of dossiers have not yet been brought into use at year end and therefore no amortisation has been provided on these intangible assets.

6. Investments in subsidiaries

Name of company	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Apollo Life Sciences Holdings Proprietary Limited	100.00 %	100.00 %	100	100
Strides Pharma (SA) Proprietary Limited	100.00 %	- %	21 730 000	-
			21 730 100	100
			21 730 100	100

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

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

On 31 March 2024 the company acquired all the issued shares in Strides Pharma (SA) Proprietary Limited from Strides Pharma (Cyprus) Limited and Juno Pharma South Africa (Pty) Ltd, for a total amount of ZAR 21,730,000 on loan account (refer to note 7, 15 and 25).

	2024 R	2023 R

6. Investments in subsidiaries (continued)

Impairment testing: Investment in Apollo Life Sciences Holdings Proprietary Limited - 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 the carrying amount to be reasonable.

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 Proprietary Limited resulting in its carrying amount of R21 021 032 being written down to a recoverable amount of R1 559 673.

In 2022 it was decided that Apollo Life Sciences Holdings Proprietary Limited be wound down and as a result the investment in the entity was further impaired with R1 559 573.

7. Loans to / (from) group companies

Fellow subsidiary

	2024 R	2023 R
Strides Pharma (SA) Proprietary Limited The loan bears interest at the prime rate and has no fixed terms of repayment. Strides Pharma (SA) Proprietary Limited provided a limited resource guarantee limited to R70 000 000 to Investec in terms of all payments due and owing by the Trinity Pharma to Investec, limited to the proceeds in terms of the cession of debtors, including a session of Strides' debtors book in favour of Investec.	44 035 714	7 887 895
Strides Pharma (Cyprus) Limited - (acquisition of Strides SA shares) A loan was obtained from Strides Pharma (SA) Proprietary Limited in 2024 for the acquisition of the Strides Pharma (SA) shares on 31 March 2024 (refer to note 6) for an amount of R13,038,000. The loan is unsecured and interest free for the first 3 years and repayable after 3 years, whereafter interest will be charged at a prevailing bank lending rate per annum plus 0.5% on the outstanding balance. The interest free loan is discounted to it’s present value in terms of IFRS 9 (refer to note 25).	(9 344 046)	-
	34 691 668	**7 887 895**

8. Loans receivable

Loans receivable are presented at amortised cost, which is net of loss allowance, as follows:

	2024 R	2023 R
Herman Maritz	-	2 182 610

The loan bears interest at the prime lending rate and is payable on demand. The loan was repaid during the year.

Notes to the Annual Financial Statements

	2024 R	2023 R

9. Deferred tax

Deferred tax liability

	2024 R	2023 R
Prepayments	(99 623)	(84 889)
Right of use asset	(755 293)	(722 049)
Total deferred tax liability	**(854 916)**	**(806 938)**

Deferred tax asset

	2024 R	2023 R
Employee provisions	958 316	612 427
Provision for stock impairments	766 436	861 008
Lease liability	1 001 391	841 600
Work in progress	175 130	165 829
Total deferred tax asset	**2 901 273**	**2 480 864**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2024 R	2023 R
Deferred tax liability	(854 916)	(806 938)
Deferred tax asset	2 901 273	2 480 864
Total net deferred tax asset	**2 046 357**	**1 673 926**

Reconciliation of deferred tax asset

	2024 R	2023 R
At beginning of year	1 673 926	510 150
Movement in temporary differences	372 431	1 163 776
	2 046 357	**1 673 926**

10. Inventories

	2024 R	2023 R
Pharmaceutical products - Third Parties	29 161 677	27 077 502
Pharmaceutical products - Trinity Pharma	149 901 027	109 069 309
Goods in transit	14 965 202	10 316 390
	194 027 906	146 463 201
Inventories (write-downs)	(2 838 651)	(3 188 917)
	191 189 255	**143 274 284**

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.

Notes to the Annual Financial Statements

	2024 R	2023 R

10. Inventories (continued)

Inventory pledged as security

Inventory to the value of R30 000 000 was pledged as security for the Investec Bank Ltd's trade facility in terms of a General Notarial Bond. At period end the facility had a balance of R84 586 351 (2023: R33 826 430).

11. Work in progress and receivables

	2024 R	2023 R
Work in progress and receivables	1 338 792	1 373 243

Advances received in excess of work completed are included in trade and other payables.

12. Trade and other receivables

	2024 R	2023 R
Financial instruments:		
Trade receivables	151 333 162	129 855 456
Creditors with debit balances	467 151	266 952
Loss allowance	-	-
Trade receivables at amortised cost	151 800 313	130 122 408
Deposits	1 410 990	186 662
Staff loans	124 758	234 899
Non-financial instruments:		
Prepayments	547 565	502 377
Total trade and other receivables	**153 883 626**	**131 046 346**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Customer credit risk is managed according to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up. At 31 March 2024, the company had 16 (2023: 13) customers that owed it more than R2 000 000 each, and accounted for approximately 85% (2023: 92%) of all the receivables outstanding and 17% (2023: 10.4%) of the total balances outstanding were outstanding for longer than 60 days. No doubt exist regarding the collectibility of these balances.

An impairment analysis is performed at each reporting date using a single loss rate based on an assessment of the Group's historical bad debts and the company's own historical bad debts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 31. The Company does not hold collateral as security except for Strides Pharma SA Proprietary Limited, a fellow subsidiary of the holding company, which provided a limited resource guarantee to Investec in terms of all payments due and owing by the company to Investec, limited to the proceeds in terms of the cession of debtors (see below), including a session of Strides' debtors book in favour of Investec. The Company evaluates the concentration of risk with respect to trade receivables as low, as it has a large number of unrelated customers from various industries, operating independently in the market.

Based on this and the historical data which reflects that no amounts have been impaired on trade receivables over the past 5 years, the single loss rate were determined as nil% and as a result the Expected Credit Loss allowance is Rnil.

There have not been any notable observable changes in payment behaviour nor to the economic environment of our customers.

Notes to the Annual Financial Statements

	2024 R	2023 R

12. Trade and other receivables (continued)

Trade and other receivables pledged as security

Trade and other receivables were pledged as security for the Investec Bank Ltd's trade facility in terms of a first cession of the debtors book.

13. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024 R	2023 R
Cash on hand	62	2 175
Bank balances	8 932 438	4 620 337
Credit cards	-	(17 172)
Bank overdraft	(84 586 351)	(33 826 430)
	(75 653 851)	**(29 221 090)**
Cash and cash equivalents	8 932 500	4 622 512
Bank facilities	(84 586 351)	(33 843 602)
	(75 653 851)	**(29 221 090)**

The revolving bank facility was closed during the 2023 financial year and replaced by a bank overdraft.

The overdraft facility has increased during the year from R 35 000 000 to R70 000 000. The overdraft balance as at year end is R R84 586 351.
The overdraft balance exceeds the available facility due to a short term excess that was approved by Investec Bank Limited.
This limit was repaid by the end of April 2024 and the limit returned to R70 000 000.

Bank balances includes the following foreign denominated bank accounts for 2023 (closed in 2024):

	2024	2023
The total amount of undrawn facilities available for future operating activities and commitments	$ 298	$ 298
GBP	£ 222	£ 222

The Investec Bank Ltd - general banking facility is repayable on demand and bears interest at the prime rate (11.25% at year end).

Secured by:
- Letter of Support from the shareholders in line with their pro-rata shareholding in the company to a value of R70 000 000;
- Limited personal guarantee by the director GRN Simaan – limited to R1 500 000;
- A general notarial bond over inventory amounting to R30 000 000;
- Primary cession of the debtors’ book.

Notes to the Annual Financial Statements

	2024 R	2023 R

14. Share capital

Authorised

4 000 Ordinary shares of R1 each	4 000	4 000

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**

15. Loans from shareholders

Asaco Trinity Proprietary Limited	2 456 805	2 249 009
Juno Pharma South Africa Proprietary Limited	3 427 649	3 137 904
Strides Pharma Asia Pte Ltd	6 152 245	5 634 217
Juno Pharma South Africa Proprietary Limited - (acquisition of Strides SA shares)	6 226 976	-
	18 263 675	**11 021 130**

During July 2019 the company obtained loan funding from its shareholders in order to meet its business requirements. These loans are unsecured and bears interest at the prime rate (between 7.75% and 11.25% during the year). During January 2021 the original loans were settled in full including interest. Further loans were obtained from the shareholders during June 2020 on similar terms. These loans are repayable by March 2025. The loan from Strides Pharma Asia Pte Ltd was approved by the South African Reserve Bank.

A loan was obtained from Juno Pharma South Africa Proprietary Limited in 2024 for the acquisition of the Strides Pharma (SA) (Pty) Ltd shares on 31 March 2024 (refer to note 6) for an amount of R8,692,000. The loan is unsecured and interest free for the first 3 years and repayable after 3 years, whereafter interest will be charged at a prevailing bank lending rate per annum plus 0.5% on the outstanding balance. The interest free loan is discounted to it’s present value in terms of IFRS 9 (refer to note 25).

Split between non-current and current portions

Current liabilities	18 263 675	11 021 130

16. Other financial liabilities

Held at amortised cost

WesBank finance - motor vehicle	453 573	-

Wesbank: Hyundai-Staria
Installment sale agreement and / or capitalised leased asset repayable in monthly installments of R13,879, bearing interest at 11.75% p.a. The final payment required on 01/07/2028.

Notes to the Annual Financial Statements

	2024 R	2023 R

16. Other financial liabilities (continued)

Split between non-current and current portions

Current liabilities	453 573	-

17. Trade and other payables

	2024 R	2023 R
Financial instruments:		
Trade payables	167 982 636	138 305 536
Amounts due to subsidiaries	100 050	100 000
Accrual for stock received not yet invoiced	1 016 352	674 837
Employees taxes	772 898	528 857
Accrued expenses	1 332 317	861 396
Employee benefits accrued	-	35 056
Royalties fees	63 047 888	57 118 796
Other payables	315 737	1 321 518
Non-financial instruments:		
Amounts received in advance	449 508	-
VAT	3 401 439	1 433 133
	238 418 825	**200 379 129**

18. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	1 449 827	2 361 166	(1 449 827)	2 361 166
Employee related provisions	818 421	1 188 150	(818 421)	1 188 150
	2 268 248	**3 549 316**	**(2 268 248)**	**3 549 316**

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	974 168	1 449 827	(974 168)	1 449 827
Employee related provisions	768 609	818 421	(768 609)	818 421
	1 742 777	**2 268 248**	**(1 742 777)**	**2 268 248**

Notes to the Annual Financial Statements

		2024 R	2023 R
19. Revenue			
Revenue from contracts with customers			
Sale of goods		555 125 348	429 810 584
Rendering of services		3 121 725	619 956
Sales as agent for third parties		46 465 767	41 559 250
Recoveries of expenses		8 480 750	-
		613 193 590	**471 989 790**
20. Other operating income			
Skills development refunds		55 011	29 868
Marketing fee recoveries		933 292	765 522
Other		19 297	-
		1 007 600	**795 390**
21. Other operating (losses) / gains			
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	3	213 180	(18 497)
Intangible assets	5	-	1 578
		213 180	**(16 919)**
Foreign exchange gains (losses)			
Net foreign exchange loss		(2 337 905)	(2 724 654)
Total other operating losses		**(2 124 725)**	**(2 741 573)**

22. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	2024 R	2023 R
Auditor's remuneration - external		
Fees (current year includes interim fee)	464 000	305 653
Accounting, tax, secreterial and other services	92 499	33 325
	556 499	**338 978**
Employee costs		
Salaries, wages, bonuses and other benefits	32 096 143	22 506 712
Leases		
Short-term leases	19 850	177 980
Total lease expenses	**19 850**	**177 980**

Notes to the Annual Financial Statements

	2024 R	2023 R
22. Operating profit (continued)		
Depreciation and amortisation		
Depreciation of property, plant and equipment	473 368	252 666
Depreciation of right-of-use assets	653 288	287 773
Amortisation of intangible assets	1 650 990	1 479 634
Total depreciation and amortisation	**2 777 646**	**2 020 073**

23. Investment income

	2024 R	2023 R
Interest income		
Investments in financial assets:		
Bank and other cash	109 237	-
Interest on lease deposit	24 468	10 253
Interest on loan: Strides Pharma (SA) Proprietary Limited	1 934 203	762 099
Interest on loan: H Maritz	-	243 073
Total interest income	**2 067 908**	**1 015 425**

24. Finance costs

	2024 R	2023 R
Shareholders	1 015 569	1 205 655
Interest on term loans	53 865	-
Lease liabilities	-	165 262
Revolving bank facility	5 057 733	1 062 622
Current borrowings (trade financing and debtors discounting)	4 857 589	5 659 668
Interest paid on unwinding of discount	353 025	-
Interest paid - intercompany	518 028	-
Total finance costs	**11 855 809**	**8 093 207**

25. Other non-operating gains (losses)

	2024 R	2023 R
Gains (losses) on disposals, scrappings or settlements		
Gain realized on interest free loan (refer to note 7 and 15)	6 158 978	-

26. Taxation

Major components of the tax expense

	2024 R	2023 R
Current		
Local income tax - current period	8 149 126	9 658 896
Deferred		
Local deferred tax - current period	(372 431)	(1 163 776)
	7 776 695	**8 495 120**

Notes to the Annual Financial Statements

	2024 R	2023 R

26. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

	2024 R	2023 R
Accounting profit	35 401 278	32 254 421
Tax at the applicable tax rate of 27% (2023: 27%)	9 558 345	8 708 694
Tax effect of adjustments on taxable income		
Depreciation on leasehold improvements	12 224	7 826
Learnership allowance	(130 950)	(221 400)
IFRS Adjustment - Gain on interest free loan	(1 662 924)	-
	7 776 695	**8 495 120**
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised.	21 020 932	21 020 932

27. Cash generated from operations

	2024 R	2023 R
Profit before taxation	35 401 278	32 254 421
Adjustments for:		
Depreciation and amortisation	2 777 646	2 020 073
(Gains) losses on disposals, scrappings and settlements of assets and liabilities	(6 372 158)	16 919
Losses on foreign exchange	2 337 905	2 724 654
Interest income	(2 067 909)	(1 015 425)
Finance costs	11 855 809	8 093 207
Movements in provisions	1 281 069	525 471
Changes in working capital:		
Inventories	(47 914 971)	(43 901 762)
Trade and other receivables	(22 837 280)	(21 133 612)
Work in progress and receivables	34 451	342 505
Trade and other payables	38 039 697	40 790 634
	12 535 537	**20 717 085**

28. Tax paid / Receivable

	2024 R	2023 R
Balance at beginning of the year	1 280 311	1 137 224
Current tax for the year recognised in profit or loss	(8 149 126)	(9 658 896)
Balance at end of the year	(537 660)	(1 280 311)
	(7 406 475)	**(9 801 983)**

Notes to the Annual Financial Statements

29. Directors' emoluments

Executive

2024

Directors' emoluments	Basic salary	Expense re-imbursement	Total
Services as director or prescribed officer			
G.R.N. Simaan	3 001 367	66 874	3 068 241

2023

Directors' emoluments	Basic salary	Expense re-imbursement	Total
Services as director or prescribed officer			
G.R.N. Simaan	1 468 674	85 933	1 554 607

30. Related parties

Relationships

Ultimate holding company	Strides Pharma Science Ltd (a company listed on the National Stock Exchange of India Limited and the BSE Limited)
Holding company	Strides Pharma Asia Pte Ltd
Subsidiaries	Refer to note 6
Common control of directors	Kahma Healthcare Group Proprietary Limited (S. Kahanovitz) Asaco Trinity Proprietary Limited (GRN Simaan)
Fellow subsidiaries and associates	Other entities related to Strides Group Other entities related to Kahma Group
Members of key management	Refer to Directors' Report

Notes to the Annual Financial Statements

30. Related parties (continued)

Related party balances

	2024 R	2023 R
Loan accounts - Owing (to) by related parties		
Strides Pharma Asia Pte Ltd	(6 152 245)	(5 634 217)
Asaco Trinity Proprietary Limited	(2 456 805)	(2 249 009)
Juno Pharma South Africa Proprietary Limited	(6 226 976)	(3 137 904)
Strides Pharma (SA) Proprietary Limited	44 035 714	7 887 895
Strides Pharma (Cyprus) Limited	(9 344 046)	-
Amounts included in Trade Receivable (Trade Payable) regarding related parties		
Arco Lab Private Limited (India) - trade payable	(147 138)	(69 229)
Strides Pharma (SA) Proprietary Limited, South Africa - trade payable	(9 560 925)	(5 856 523)
Strides Pharma (SA) Proprietary Limited, South Africa - trade receivable	191 692	103 363
Strides Pharma Science Limited - trade payable	(6 718 283)	(3 457 664)
Strides Pharma Asia Pte Ltd - trade payable	(114 259)	(114 188)
Juno Pharma South Africa Proprietary Limited - trade receivable	981 075	-
Juno Pharma South Africa Proprietary Limited - trade payable	(5 253 224)	(5 423)
K2 Medical Proprietary Limited - trade payable	(81 087)	(15 772)
Kahma Healthcare Group Proprietary Limited - trade payable	(37 055)	(47 546)
Kahma Biotech Proprietary Limited - trade receivable	-	1 087 329
Juno Pharmaceuticals (Canada) Corp - trade receivable	209 942	104 971
Kahma Biotech Proprietary Limited - trade payable	-	(1 741 640)
Strides Pharma Global Pte Ltd - trade payable	(3 052 159)	(466 187)
Juno Pharmaceuticals (Canada) Corp - trade payable	(50 743)	-
Strides Alathur Private Limited - trade payable	(393 320)	-

Related party transactions

	2024 R	2023 R
Interest and corporare guarantees paid to (received from) related parties		
Kahma Healthcare Group Proprietary Limited	115 118	81 179
Asaco Trinity Proprietary Limited	289 324	243 308
Strides Pharma Asia Pte Ltd	729 021	618 727
Strides Pharma (SA) Proprietary Limited, South Africa	(1 934 203)	(762 099)
Juno Pharma South Africa Proprietary Limited	289 745	262 440
GRN Simaan	51 784	-

Notes to the Annual Financial Statements

	2024 R	2023 R
30. Related parties (continued)		
Purchases from (sales to) related parties		
Strides Pharma (SA) Proprietary Limited, South Africa	-	(742 207)
Strides Pharma (SA) Proprietary Limited, South Africa - purchases	32 225 810	20 735 581
Juno Pharma South Africa Proprietary Limited - purchases	7 753 658	-
Strides Pharma Global Pte Ltd - purchases	3 564 484	3 638 675
Juno Pharma South Africa Proprietary Limited - sales	(2 266 031)	(227 640)
Kahma Healthcare Group Proprietary Limited - sales	(30 169)	(3 356)
The Vaccine Bureau Proprietary Limited - sales	-	(7 207)
Strides Pharma UK Ltd - sales	-	(9 052)
Juno Pharmaceuticals (Canada) - sales	(1 547 263)	(1 073 185)
K2 Medical Proprietary Limited - sales	(62 001)	-
Kahma Biotech Proprietary Limited - sales	(763 342)	(5 796 577)
Kahma Biotech Proprietary Limited - purchases	1 824 505	271 050
Strides Pharma Science Limited - purchases	13 305 660	3 208 501
Universal Corporation Ltd - purchases	69 777	-
Naari Pte Ltd - purchases	1 498 595	-
Beltapharm S.P.A. - purchases	1 108 967	-
Strides Alathur Private Limited - purchases	399 489	-
Rent paid to (received from) related parties		
Kahma Healthcare Group Proprietary Limited	19 748	-
Recoveries, reimbursements, support service and administrative fees paid to (received from) related parties		
Arco Lab Private Limited	270 000	270 000
Juno Pharmaceuticals (Canada)	50 287	-
K2 Medical Proprietary Limited	239 398	215 646
Strides Pharma (SA) Proprietary Limited, South Africa	170 011	241 181
Strides Pharma (SA) Proprietary Limited, South Africa	(670 335)	-
Kahma Healthcare Group Proprietary Limited	115 238	214 670
Advances from related parties		
Apollo Life Sciences Holdings Proprietary Limited	100 050	100 000

Notes to the Annual Financial Statements

31. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Amortised cost	Fair value
Loans to group companies	7	44 035 714	-
Trade and other receivables	12	153 336 061	153 336 061
Work in progress and receivables	11	1 338 792	1 338 792
Cash and cash equivalents	13	8 932 500	8 932 500
		207 643 067	**163 607 353**

2023

	Note(s)	Amortised cost	Fair value
Loans to group companies	7	7 887 895	-
Loans receivable	8	2 182 610	-
Trade and other receivables	12	130 543 969	130 543 969
Work in progress and receivables	11	1 373 243	1 373 243
Cash and cash equivalents	13	4 622 512	4 622 512
		146 610 229	**136 539 724**

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Leases	Fair value
Trade and other payables	17	234 567 875	-	-
Loans from group companies	7	-	-	9 344 046
Loans from shareholders	15	12 036 699	-	6 226 976
Other financial liabilities at amortised cost	16	453 573	-	-
Lease liabilities	4	-	3 454 052	-
		247 058 147	**3 454 052**	**15 571 022**

2023

	Note(s)	Amortised cost	Leases	Fair value
Trade and other payables	17	198 945 994	-	-
Loans from shareholders	15	11 021 130	-	-
Finance lease obligations	4	-	2 989 687	-
		209 967 124	**2 989 687**	**-**

Notes to the Annual Financial Statements

31. Financial instruments and risk management (continued)

Capital risk management

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

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

Loans from shareholders	15	18 263 675	11 021 130
Borrowings	16	453 573	-
Lease liabilities	4	3 454 052	2 989 687
Trade and other payables	17	238 418 822	200 379 127
Total borrowings		**260 590 122**	**214 389 944**
Bank overdraft	13	75 653 851	29 221 090
Net borrowings		**336 243 973**	**243 611 034**
Equity		115 978 636	88 354 050
Gearing ratio		290 %	276 %

Financial risk management

Overview

The company’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk which are managed by the directors.

Credit risk

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

The company is exposed to credit risk on loans receivable, debt instruments at fair value through other comprehensive income, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Notes to the Annual Financial Statements

31. Financial instruments and risk management (continued)

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, US Dollar and British Pound. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities. The company does hedge foreign exchange fluctuations from time to time based on the assessed risk. The company reviews its foreign currency exposure, including commitments on an ongoing basis.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Detailed Income Statement

	Note(s)	2024 R	2023 R
Revenue	19	**613 193 590**	**471 989 790**
Cost of sales			
Opening stock		(136 146 811)	(93 930 715)
Purchases		(545 459 202)	(428 179 177)
Closing stock		179 062 704	136 146 811
		(502 543 309)	**(385 963 081)**
Gross profit		**110 650 281**	**86 026 709**
Other operating income			
Skills development refunds		55 011	29 868
Marketing fee recoveries		933 292	765 522
Other income		19 297	-
	20	**1 007 600**	**795 390**
Other operating losses			
(Losses) / gains on disposal of assets or settlement of liabilities		213 180	(16 919)
Foreign exchange losses		(2 337 905)	(2 724 654)
	21	**(2 124 725)**	**(2 741 573)**
Expenses (Refer to page 48)		**(70 502 956)**	**(44 748 323)**
Operating profit	22	**39 030 200**	**39 332 203**
Investment income	23	2 067 909	1 015 425
Finance costs	24	(11 855 809)	(8 093 207)
Other non-operating gains (losses)			
Gain realized on interest free loan	25	6 158 978	-
Profit before taxation		**35 401 278**	**32 254 421**
Taxation	26	(7 776 695)	(8 495 120)
Profit for the year		**27 624 583**	**23 759 301**

Detailed Income Statement

	Note(s)	2024 R	2023 R
Other operating expenses			
Advertising and marketing		23 778 878	11 980 480
Amortisation		1 650 990	1 479 634
Auditor's remuneration - external audit	22	556 499	338 978
Bank charges		151 265	95 072
B-BBEE spend		603 800	429 500
Cleaning		3 366	27 129
Computer expenses		1 500 260	1 097 268
Consulting and professional fees		1 917 368	1 575 749
Depreciation		1 126 656	540 439
Donations		17 600	27 600
Employee costs		32 096 143	22 506 712
Entertainment		82 434	33 160
Regulary fees		1 119 118	850 547
General office expenses		12 955	18 103
Insurance		1 039 825	668 525
Motor vehicle expenses		31 253	35 362
Municipal expenses		314 585	48 107
Postage		25 209	28 533
Printing and stationery		135 643	79 148
Repairs and maintenance		566	22 042
Security		1 621	18 554
Short-term leases		19 850	177 980
Staff welfare		327 494	242 912
Subscriptions		1 558 135	1 128 147
Telephone and fax		309 521	217 599
Training		76 104	61 216
Travel - local		1 652 859	935 953
Travel - overseas		392 959	83 874
		70 502 956	**44 748 323**

Trinity Pharma Proprietary Limited
(Taxpayer reference number 9676714141)
(Registration number: 2003/020397/07)
Annual Financial Statements for the year ended 31 March 2024

Tax Computation

	2024 R	2023 R
Net profit per income statement	35 401 278	32 254 421
Permanent differences (Non-deductible/Non taxable items)		
Depreciation on leasehold improvements	45 273	28 986
Gain realized on interest free loan (IFRS adjustment)	(6 158 978)	-
Gain on disposal of assets	(213 180)	-
Recoupment on sale of asset	213 180	-
Learnership Allowance (s12H)	(485 000)	(820 000)
	(6 598 705)	**(791 014)**
Temporary differences		
Work in progress not yet invoiced/accrued	(1 338 792)	(1 373 243)
Reversal of work in progress claim in previous year	1 373 243	1 630 911
Depreciation according to financial statements	428 094	223 680
Wear and tear allowance (s11(e))	(428 094)	(223 680)
Prepaid expenditure not limited by s23H - current year	(368 976)	(314 403)
Reversal of prepaid expenditure allowed in prior year	314 403	217 651
Provision for stock write offs - current year	2 838 651	3 188 917
Provision for stock write offs - prior year	(3 188 917)	-
Provision for leave pay and bonus not deductible current year	3 519 893	2 238 822
Reversal of leave pay provisions previously raised	(2 238 822)	(1 721 154)
Provision for commissions not deductible current year	29 426	29 426
Reversal of provision for commissions previously raised	(29 426)	(29 426)
Lease premium allowance s11(f)	(770 091)	-
Right of use asset depreciation reversal	653 288	287 772
Interest paid in respect of capitalised leased assets	585 494	155 009
	1 379 374	**4 310 282**
Taxable income for 2024	**30 181 947**	**35 773 689**
Tax thereon @ 27% in the Rand	**8 149 126**	

Tax Computation

	2024 R	2023 R
Reconciliation of tax balance		
Amount prepaid at the beginning of year	(1 280 311)	
Interest accrued on overpayment	(31 307)	
Amount refunded in respect of prior year	1 311 618	
Amount prepaid in respect of prior year	**-**	
Tax prepaid for the current year:		
Normal tax		
Per calculation	8 149 126	
1st provisional payment	(3 627 837)	
2nd provisional payment	(5 089 759)	
Prior year adjustment	30 810	
	(537 660)	
Amount prepaid at the end of year	**(537 660)**	