

# **Simayla Pharmaceuticals (Pty) Ltd**

**(Registration number 2004/020942/07)**

**Financial statements  
for the year ended 31 December 2017**



## Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2017

### General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Pharmaceutical industry
<b>Directors</b>	SR Gadhia IF Oliver V Shiva
<b>Registered office</b>	Southdowns Office Park Building B Centurion
<b>Business address</b>	Southdowns Office Park Building B Centurion
<b>Postal address</b>	Suite 100 Private Bag X 32 Highveld Park
<b>Bankers</b>	Standard Chartered Bank
<b>Auditor's</b>	GNR Auditors Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	2004/020942/07
<b>Tax reference number</b>	9111780152



**Simayla Pharmaceuticals (Pty) Ltd**  
(Registration number 2004/020942/07)  
Financial Statements for the year ended 31 December 2017

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

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**Level of assurance**

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





Chartered Accountants (SA)  
Registered Auditors

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## Independent Auditor's Report

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To the shareholder of Simayla Pharmaceuticals (Pty) Ltd

### Opinion

We have audited the Financial Statements of Simayla Pharmaceuticals (Pty) Ltd set out on pages 7 to 14, which comprise the Statement of Financial Position as at 31 December 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Simayla Pharmaceuticals (Pty) Ltd as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, 71 of 2008.

### Basis for opinion

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

### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, 71 of 2008, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Statements

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

In preparing the Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.





**Chartered Accountants (SA)  
Registered Auditors**

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#### Independent Auditor's Report

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

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GNR Auditors  
CR Rademeyer  
Partner  
Chartered Accountants (SA)  
Registered Auditor

21 May 2018



## **Directors' Responsibilities and Approval**

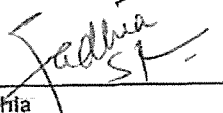
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The directors are required by the Companies Act of South Africa, 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report.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

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

  
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SR Gadhia

  
\_\_\_\_\_  
IF Oliver

  
\_\_\_\_\_  
V Shiva

Monday, 21 May 2018

**Simayla Pharmaceuticals (Pty) Ltd**  
(Registration number 2004/020942/07)  
Financial Statements for the year ended 31 December 2017

## **Directors' Report**

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The directors have pleasure in submitting their report on the financial statements of Simayla Pharmaceuticals (Pty) Ltd for the year ended 31 December 2017.

### **1. Nature of business**

Simayla Pharmaceuticals (Pty) Ltd was incorporated in South Africa with interests in the Pharmaceutical industry. The company operates in South Africa.

### **2. Review of financial results and activities**

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

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

### **3. Share capital**

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

### **4. Directors**

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

**Directors**  
SR Gadhia  
IF Oliver  
V Shiva

### **5. Events after the reporting period**

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### **6. Going concern**

The company has ceased all trading activities since the 2013 financial year. All trading activities have been taken over by the holding company.

## Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2017

### Statement of Financial Position as at 31 December 2017

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	4	1,570	6,494
<b>Total Assets</b>		<b>1,570</b>	<b>6,494</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	5	5,499,729	5,499,729
Accumulated loss		(106,569,351)	(106,564,433)
		<b>(101,069,622)</b>	<b>(101,064,704)</b>
<b>Liabilities</b>			
Non-Current Liabilities			
Loans from shareholders	3	90,117,511	90,117,512
Current Liabilities			
Trade and other payables	6	10,953,681	10,953,686
<b>Total Liabilities</b>		<b>101,071,192</b>	<b>101,071,198</b>
<b>Total Equity and Liabilities</b>		<b>1,570</b>	<b>6,494</b>



**Simayla Pharmaceuticals (Pty) Ltd**  
(Registration number 2004/020942/07)  
Financial Statements for the year ended 31 December 2017

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	2017	2016
<b>Operating expenses</b>			
Auditors remuneration	7	-	(625)
Bank charges		(4,918)	(4,734)
<b>Loss for the year</b>		<b>(4,918)</b>	<b>(5,359)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(4,918)</b>	<b>(5,359)</b>

## Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2017

### Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
<b>Balance at 01 January 2016</b>	<b>200</b>	<b>5,499,529</b>	<b>5,499,729</b>	<b>(106,559,074)</b>	<b>(101,059,345)</b>
Loss for the year	-	-	-	(5,359)	(5,359)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,359)</b>	<b>(5,359)</b>
<b>Balance at 01 January 2017</b>	<b>200</b>	<b>5,499,529</b>	<b>5,499,729</b>	<b>(106,564,433)</b>	<b>(101,064,704)</b>
Loss for the year	-	-	-	(4,918)	(4,918)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,918)</b>	<b>(4,918)</b>
<b>Balance at 31 December 2017</b>	<b>200</b>	<b>5,499,529</b>	<b>5,499,729</b>	<b>(106,569,351)</b>	<b>(101,069,622)</b>
Note(s)	5	5	5		

## **Accounting Policies**

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### **1. Presentation of financial statements**

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa, 71 of 2008. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### **1.1 Property, plant and equipment**

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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

If the 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 its major components and each such component is depreciated separately over its useful life.

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

#### **1.2 Financial instruments**

##### **Financial instruments at amortised cost**

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

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

##### **Financial instruments at fair value**

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

#### **1.3 Tax**

##### **Deferred tax assets and liabilities**

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

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

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

# Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2017

## Accounting Policies

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### 1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

### 1.5 Impairment of assets

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

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

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

### 1.6 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

### 1.7 Provisions and contingencies

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

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

Provisions are not recognised for future operating losses.

### 1.8 Borrowing costs

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

# Simayla Pharmaceuticals (Pty) Ltd

(Registration number 2004/020942/07)

Financial Statements for the year ended 31 December 2017

## Notes to the Financial Statements

Figures in Rand		2017	2016
<b>2. Property, plant and equipment</b>			
		2017	
		2016	
	Cost	Accumulated depreciation	Carrying value
	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	396,207	(396,207)	-
	396,207	(396,207)	-
<b>3. Loans to (from) shareholders</b>			
Zydus Healthcare SA (Pty) Ltd: Capital		(90,117,511)	(90,117,512)
This loans bears interest from time to time and no fixed terms of repayment exist as at year end.			
<b>4. Cash and cash equivalents</b>			
Cash and cash equivalents consist of:			
Bank balances		1,570	6,494
<b>5. Share capital</b>			
Issued			
Ordinary		200	200
Share premium		5,499,529	5,499,529
		5,499,729	5,499,729
<b>6. Trade and other payables</b>			
Interest Payable		10,953,681	10,953,686
<b>7. Auditor's remuneration</b>			
Fees		-	625
<b>8. Cash used in operations</b>			
Loss before taxation		(4,918)	(5,359)
Changes in working capital:			
Trade and other payables		(5)	-
		(4,923)	(5,359)
<b>9. Related parties</b>			
<b>Related party balances and transactions with other related parties</b>			
<b>Related party balances</b>			
<b>Loan accounts - Owing (to) by related parties</b>			
Zydus Healthcare SA (Pty) Ltd: Capital		(90,117,511)	(90,117,512)
<b>Amounts included in interest Receivable (Interest Payable) regarding related parties</b>			
Zydus Healthcare SA (Pty) Ltd		(10,953,681)	(10,953,681)