

**Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd**

(Registration number 2003/008737/07)

Annual Financial Statements  
for the year ended 31 March 2023

S.Ahmed & Co. Incorporated  
Chartered Accountants (SA)  
Registered Auditors

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Supply of pharmaceutical products
<b>Directors</b>	Mohan Anand Chandavarkar Nandan Mohan Chandavarkar Ameya Ashok Chandavarkar Khalil Anwary
<b>Registered office</b>	Unit J3 567 Farm Road The Willows Office Park The Willows, Pretoria 0081
<b>Bankers</b>	Standard Bank Limited
<b>Auditors</b>	S.Ahmed & Co. Incorporated Chartered Accountants (SA) Registered Auditors Suite 101 Laudium Plaza Tangerine Street Laudium 0037 P O Box 13200 Laudium 0037
<b>Company registration number</b>	2003/008737/07
<b>Tax reference number</b>	9155375141
<b>Preparer</b>	The annual financial statements were independently compiled by: Shamshoodin Ahmed Sapfin Solutions Pty Ltd

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

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

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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### **Level of assurance**

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

### **Published**

12 May 2023

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)  
Annual Financial Statements for the year ended 31 March 2023

## Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial 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 auditors are engaged to express an independent opinion on the annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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.

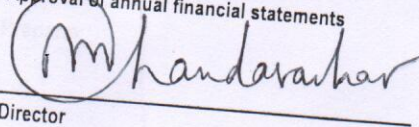
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5.

The annual financial statements set out on page 7, which have been prepared on the going concern basis, were approved by the board on 12 May 2023 and were signed on its behalf by:

Approval of annual financial statements

  
Director

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd and its associates for the year ended 31 March 2023.

### 1. Nature of business

Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd was incorporated in South Africa with interests in the Pharmaceutical industry (incl wholesale and retail sales) industry. The company operates in South Africa.

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 Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior 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. Directors

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

#### Directors

Mohan Anand Chandavarkar  
Nandan Mohan Chandavarkar  
Ameya Ashok Chandavarkar  
Khalil Anwary

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



**S AHMED AND CO**  
**INCORPORATED**  
CHARTERED ACCOUNTANTS  
& REGISTERED AUDITORS  
Reg No : 2014/007036/21  
PR No : 929719E  
Directors - S.Ahmed (CA)SA

**S Ahmed and Co. Inc.**  
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Tel : 012 374 2191, Fax : 012 374 2594  
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## Independent Auditor's Report

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To the shareholder of Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

### Opinion

We have audited the annual financial statements of Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd set out on pages 7 to 20, which comprise the statement of financial position as at 31 March 2023, and the statement of financial performance, statement of 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 Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd as at 31 March 2023, 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 71 of 2008.

### Basis for opinion

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

### Material uncertainty related to going concern

We draw attention to note 17 in the annual financial statements, which indicates that the company incurred a net loss of R(6,403,627) during the year ended 31 March 2023 and, as of that date, the company's total liabilities exceeded its total assets by R(35,015,126). As stated in note 17, these events or conditions, along with other matters as set forth in note 17, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

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

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

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# Independent Auditor's Report

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## Responsibilities of the directors for the Annual Financial Statements

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

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

## 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.



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**S.Ahmed & Co. Incorporated**  
**Shamshoodin Ahmed**  
**Chartered Accountants (SA)**

**12 May 2023**  
**Pretoria**

**12 May 2023**

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# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Position as at 31 March 2023

	Note(s)	2023 R	2022 R
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	19,862	36,724
Intangible assets	3	1,344,000	924,000
		<b>1,363,862</b>	<b>960,724</b>
<b>Current Assets</b>			
Inventories	6	8,515,054	1,782,208
Trade and other receivables	5	2,045,438	509,724
Current tax receivable		53	53
Cash and cash equivalents	7	3,075,019	5,547,842
		<b>13,635,564</b>	<b>7,839,827</b>
<b>Total Assets</b>		<b>14,999,426</b>	<b>8,800,551</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital		325,000	325,000
Retained income		(35,088,575)	(28,684,948)
		<b>(34,763,575)</b>	<b>(28,359,948)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loans from shareholders	4	49,207,674	39,193,269
<b>Current Liabilities</b>			
Trade and other payables	8	555,327	(2,032,770)
<b>Total Liabilities</b>		<b>49,763,001</b>	<b>37,160,499</b>
<b>Total Equity and Liabilities</b>		<b>14,999,426</b>	<b>8,800,551</b>



# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Performance

	Note(s)	2023 R	2022 R
<b>Revenue</b>			
Sale of goods		11,900,397	4,621,041
<b>Cost of sales</b>		<b>(4,974,449)</b>	<b>(3,515,228)</b>
<b>Gross profit</b>		<b>6,925,948</b>	<b>1,105,813</b>
<b>Other income</b>			
Other income		2,818	-
Interest received		119,552	61,717
Profit and loss on exchange differences		95,666	12
		<b>218,036</b>	<b>61,729</b>
<b>Operating expenses</b>		<b>(10,500,161)</b>	<b>(6,076,202)</b>
<b>Operating loss</b>		<b>(3,356,177)</b>	<b>(4,908,660)</b>
Finance costs	11 12	(3,047,450)	(2,144,737)
<b>Loss for the year</b>		<b>(6,403,627)</b>	<b>(7,053,397)</b>

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Financial Performance

	Note(s)	2023 R	2022 R
<b>Operating expenses</b>			
Accounting fees		(105,350)	(98,950)
Advertising		(163,936)	(162)
Auditors remuneration		(60,500)	(60,500)
Bank charges		(10,289)	(5,648)
Cleaning		(600)	(2,150)
Commission paid		(282,772)	(178,502)
Computer expenses		(23,826)	(10,149)
Consulting and professional fees		(512,455)	(225,131)
Depreciation, amortisation and impairments		(16,862)	(23,647)
Employee costs		(3,670,803)	(3,970,626)
Entertainment		(28,028)	(9,625)
Retention Fee		(90,000)	(140,000)
Logistic Fees		(3,166,624)	(481,752)
Distribution Fees		(425,800)	(261,545)
Testing Fee		(266,956)	(220,500)
Marketing Fees		(1,114,247)	(44,619)
Inspection Fees		(35,150)	(16,000)
Innovator Sample		(160,205)	-
Sundry write off		197,690	75,073
Hire		(21,680)	(14,121)
Insurance		(918)	(6,699)
Lease rentals on operating lease		(273,116)	(257,737)
Legal expenses		(63,685)	(16,029)
Motor vehicle expenses		(7,978)	(26,890)
Municipal expenses		(36,346)	(18,696)
Printing and stationery		(7,402)	(3,103)
Medicredit		(3,082)	(8,517)
Subscriptions		(31,111)	(30,868)
Courier and Postage		(44,879)	(9,300)
Travel - local		(73,251)	(9,809)
		<b>(10,500,161)</b>	<b>(6,076,202)</b>

## Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

### Statement of Comprehensive Income

	Note(s)	2023 R	2022 R
<b>Loss for the year</b>		<b>(6,403,627)</b>	<b>(7,053,397)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss</b>		<b>(6,403,627)</b>	<b>(7,053,397)</b>

## Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

### Statement of Changes in Equity

	Share capital R	Retained income R	Total equity R
<b>Balance at 1 April 2021</b>	<b>325,000</b>	<b>(21,631,551)</b>	<b>(21,306,551)</b>
Loss for the year	-	(7,053,397)	(7,053,397)
Prior year net error adjustment	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(7,053,397)</b>	<b>(7,053,397)</b>
<b>Balance at 1 April 2022</b>	<b>325,000</b>	<b>(28,684,948)</b>	<b>(28,359,948)</b>
Loss for the year	-	(6,403,627)	(6,403,627)
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(6,403,627)</b>	<b>(6,403,627)</b>
<b>Balance at 31 March 2023</b>	<b>325,000</b>	<b>(35,088,575)</b>	<b>(34,763,575)</b>

Note(s)

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Statement of Cash Flows

	Note(s)	2023 R	2022 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		11,900,397	4,621,041
Cash paid to suppliers and employees		(21,135,393)	(5,199,397)
Cash used in operations	14	(9,234,996)	(4,981,312)
Interest income		119,552	61,717
Finance costs		(3,047,450)	(2,144,737)
<b>Net cash from operating activities</b>		<b>(12,162,894)</b>	<b>(7,064,332)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	-	(20,693)
Purchase of other intangible assets	3	(420,000)	(924,000)
<b>Net cash from investing activities</b>		<b>(420,000)</b>	<b>(944,693)</b>
<b>Cash flows from financing activities</b>			
Repayment of shareholders loan		10,014,405	12,144,737
<b>Net cash from financing activities</b>		<b>10,014,405</b>	<b>12,144,737</b>
<b>Total cash movement for the year</b>		<b>(2,568,489)</b>	<b>4,135,712</b>
Cash at the beginning of the year		5,547,842	2,846,613
Cash balances		95,666	(1,434,483)
<b>Total cash at end of the year</b>	7	<b>3,075,019</b>	<b>5,547,842</b>

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 Years
Motor vehicles	Straight line	5 Years
IT equipment	Straight line	3 Years
Property, plant and equipment	Straight line	5 Years

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.

#### 1.2 Intangible assets

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

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 1.2 Intangible assets (continued)

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

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

Item	Useful life
Dossiers	10 Years

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

### 1.3 Financial instruments

#### Initial measurement

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

#### Financial instruments at amortised cost

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

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

#### Financial instruments at cost

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

### 1.4 Tax

#### Current tax assets and liabilities

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

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

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Accounting Policies

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### 1.4 Tax (continued)

#### 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.

#### Tax expenses

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

### 1.5 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.

### 1.6 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.

### 1.7 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.

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 year in which they are declared.

### 1.8 Revenue

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

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



# **Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd**

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## **Accounting Policies**

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### **1.9 Borrowing costs**

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

### **1.10 Foreign exchange**

#### **Foreign currency transactions**

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

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

## Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2023

### Notes to the Annual Financial Statements

	2023 R			2022 R		
<b>2. Property, plant and equipment</b>						
	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	43,321	(35,549)	7,772	43,321	(31,310)	12,011
Motor vehicles	155,000	(155,000)	-	155,000	(155,000)	-
IT equipment	72,502	(60,413)	12,089	72,502	(47,790)	24,712
Plant and equipment	272,690	(272,689)	1	272,690	(272,689)	1
<b>Total</b>	<b>543,513</b>	<b>(523,651)</b>	<b>19,862</b>	<b>543,513</b>	<b>(506,789)</b>	<b>36,724</b>

#### Reconciliation of property, plant and equipment - 2023

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	12,011	(4,239)	7,772
IT equipment	24,712	(12,623)	12,089
Plant and equipment	1	-	1
	<b>36,724</b>	<b>(16,862)</b>	<b>19,862</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	16,250	-	(4,239)	12,011
Motor vehicles	9,112	-	(9,112)	-
IT equipment	14,314	20,693	(10,295)	24,712
Plant and equipment	26,579	-	(26,578)	1
	<b>66,255</b>	<b>20,693</b>	<b>(50,224)</b>	<b>36,724</b>

### 3. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Other intangible assets	9,344,000	(8,000,000)	1,344,000	8,924,000	(8,000,000)	924,000

#### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Total
SAPHRA	924,000	420,000	1,344,000

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

	2023 R	2022 R
<b>4. Loans to (from) shareholders</b>		
Analax Chemifarma (Pvt) Ltd (India) The above loan bears interest at an average rate of 5 % per annum and is repayable upon negotiation.	(217,380)	(209,617)
Dr. K. Anwary The above loan bears interest at an average rate of 5 % per annum and is repayable upon negotiation.	(987,263)	(937,406)
Fair Deal Corporation Ltd (India) The above loan bears interest at an average rate of 7.5 % per annum and is repayable upon negotiation.	(48,003,031)	(38,046,246)
	<b>(49,207,674)</b>	<b>(39,193,269)</b>
<b>5. Trade and other receivables</b>		
Trade receivables	2,020,438	484,724
Deposits	25,000	25,000
	<b>2,045,438</b>	<b>509,724</b>
<b>6. Inventories</b>		
Raw materials, components	1,285,792	613,680
Finished goods	5,652,718	1,168,528
Production supplies	1,576,544	-
	<b>8,515,054</b>	<b>1,782,208</b>
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	3,075,019	5,547,842
<b>8. Trade and other payables</b>		
Trade payables	43,199	(2,097,612)
VAT	142,717	27,002
Provisions	369,411	37,840
	<b>555,327</b>	<b>(2,032,770)</b>
<b>9. Revenue</b>		
Sale of goods	11,900,397	4,621,041
<b>10. Other income</b>		
Profit and loss on exchange differences	95,666	12
Other income	2,818	-
	<b>98,484</b>	<b>12</b>

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

	2023 R	2022 R
<b>11. Operating loss</b>		
Operating loss for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Lease rentals on operating lease		
• Contractual amounts	273,116	257,737
Depreciation on property, plant and equipment	16,862	23,647
Employee costs	3,670,803	3,970,626
<b>12. Finance costs</b>		
Analax Chemifarma	7,763	7,763
Dr K Anwary	49,857	49,857
FDC India	2,989,830	2,087,117
	<b>3,047,450</b>	<b>2,144,737</b>
<b>13. Taxation</b>		
<b>Major components of the tax expense</b>		
No provision has been made for 2023 tax as the company has no taxable income.		
<b>14. Cash used in operations</b>		
Loss before taxation	(6,403,627)	(7,053,397)
<b>Adjustments for:</b>		
Depreciation and amortisation	16,862	23,647
Profit on foreign exchange	(95,666)	(12)
Interest received	(119,552)	(61,717)
Finance costs	3,047,450	2,144,737
<b>Changes in working capital:</b>		
Inventories	(6,732,846)	1,712,848
Trade and other receivables	(1,535,714)	(435,393)
Trade and other payables	2,588,097	(2,746,520)
	<b>(9,234,996)</b>	<b>(6,415,807)</b>
<b>15. Related parties</b>		
Relationships		
Shareholders with significant influence		Fair Deal Corporation Ltd (India)
<b>Related party balances and transactions with entities with control, joint control or significant influence over the company</b>		
<b>Related party balances</b>		
<b>Loan accounts - Owing (to) by related parties</b>		
Fair Deal Corporation Ltd. (India)	48,003,031	(38,046,246)

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

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Annual Financial Statements for the year ended 31 March 2023

## Notes to the Annual Financial Statements

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2023	2022
R	R

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### 16. Directors' remuneration

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

### 17. Going concern

We draw attention to the fact that at 31 March 2023, the company had accumulated losses of R 30,385,970 and that the company's total liabilities exceed its assets by R (34,763,575).

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations.

# Fair Deal Corporation Pharmaceuticals SA (Pty) Ltd

(Taxpayer reference number 9155375141)

(Registration number: 2003/008737/07)

Annual Financial Statements for the year ended 31 March 2023

## Tax Computation

	2023 R
Net loss per income statement	(6,403,627)
Imputed net income from CFC	-
<b>Calculated tax loss for the year</b>	<b>(6,403,627)</b>
Assessed loss brought forward	(23,982,344)
<b>Assessed loss for 2023 - carried forward</b>	<b>(30,385,971)</b>
Tax thereon @ 28% in the Rand	-