

PHARMACOR PTY LIMITED

A.B.N. - 58 121 020 835

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

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PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
DIRECTORS' REPORT
31ST MARCH 2017

Your directors present their report on the company for the financial year ended 31st March 2017.

Directors

The names of the directors in office at the date of this report are Amit Ghare, Sandeep Singh, Basudeo Singh, Joseph Fernandes, Andrew Phillips and Richard Mlynarcik.

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The profit of the company for the financial year after providing for income tax was \$802,549.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activity of the company was the sale of pharmaceutical products as approved by the Therapeutic Goods Administration (TGA). No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This director's report is signed in accordance with a resolution of the Board of Directors.



.....Director (Andrew Phillips)



.....Director (Richard Mlynarcik)

Dated this 2nd day of May 2017

PHARMACOR PTY LIMITED

A.B.N. - 58 121 020 835

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PHARMACOR PTY LIMITED

To the Board of Directors:-

I declare that, to the best of my knowledge and belief, during the year ended 31st March 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Joseph Shamia
Joseph Shamia & Co.
Chartered Accountants



Suite 1, 307-317 Condamine Street
Manly Vale NSW 2093

Dated this 2nd day of May 2017

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
DIRECTORS' DECLARATION
31ST MARCH 2017

In accordance with a resolution of the directors of Pharmacor Pty Limited, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial report.

The directors of the company declare that:

1. The financial report and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the company's financial position as at 31st March 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial report.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Pharmacor Pty Limited.

.....Director (Andrew Phillips)


.....Director (Richard Mlynarcik)

Dated this 2nd day of May 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMACOR PTY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pharmacor Pty Limited (the company), being a special purpose financial report, which comprises the balance sheet as at 31st March 2017, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of Pharmacor Pty Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31st March 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

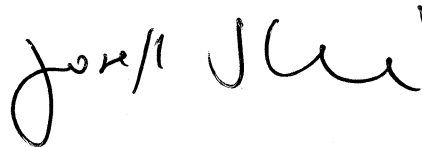
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 financial report 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 report, including the disclosures, and whether the financial report represents 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.

Joseph Shamia

A handwritten signature in black ink, appearing to read 'Joe/1 J Shamia'.

Joseph Shamia & Co.
Chartered Accountants

Suite 1, 307-317 Condamine Street
Manly Vale NSW 2093

Dated this 2nd day of May 2017

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
BALANCE SHEET AS AT 31ST MARCH 2017

2016		NOTE	
	<u>CURRENT ASSETS</u>		
3,240,052	Cash	2	5,383,708
4,217,950	Receivables	3	3,287,053
4,906,023	Inventories	4	5,728,521
1,006,803	Other	5	591,331
<u>13,370,828</u>	TOTAL CURRENT ASSETS		<u>14,990,613</u>
	<u>NON-CURRENT ASSETS</u>		
31,132	Fixed Assets	6	26,980
-	Intangible Assets	7	10,699
<u>31,132</u>	TOTAL NON-CURRENT ASSETS		<u>37,679</u>
<u>13,401,960</u>	TOTAL ASSETS		<u>15,028,292</u>
	<u>CURRENT LIABILITIES</u>		
12,166,410	Creditors & Borrowings	8	7,005,688
87,729	Provisions	9	580,606
492,284	Other	10	483,912
<u>12,746,423</u>	TOTAL CURRENT LIABILITIES		<u>8,070,206</u>
	<u>NON-CURRENT LIABILITIES</u>		
-	Creditors & Borrowings	11	5,500,000
<u>12,746,423</u>	TOTAL LIABILITIES		<u>13,570,206</u>
<u>655,537</u>	NET ASSETS		<u>1,458,086</u>
	<u>SHAREHOLDERS' EQUITY</u>		
2,305,000	Share Capital	12	2,305,000
(1,649,463)	Accumulated Losses		(846,914)
<u>655,537</u>	TOTAL SHAREHOLDERS' EQUITY		<u>1,458,086</u>

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

2016

	OPERATING PROFIT	
1,621,137	BEFORE INCOME TAX	1,189,707
(487,088)	Deferred Tax (Income) Expense	372,392
	OPERATING PROFIT	
2,108,225	AFTER INCOME TAX	817,315
	<u>Extraordinary Items</u>	
-	Loss on extraordinary items	(14,766)
	OPERATING PROFIT	
2,108,225	AFTER INCOME TAX	802,549
	Accumulated Losses	
(3,757,688)	as at 1st April 2016	(1,649,463)
(1,649,463)	ACCUMULATED (LOSSES)	(846,914)
(1,649,463)	ACCUMULATED (LOSSES)	(846,914)

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2017

2016

CASH FLOWS FROM OPERATING ACTIVITIES

Note

18,130,284	Receipts from Sales	22,757,704
(16,433,450)	Payments to Suppliers	(19,433,879)
26,313	Interest Received	37,201
223,000	Settlement Receipt	-
15,000	Regulatory Services Fee	35,000
(272,224)	Interest on Loans	(251,935)
-	Income Tax Paid	(7,945)
<hr/>		<hr/>
1,688,923	Net cash provided by (used in) operating activities	(a) 3,136,146
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CASH FLOWS FROM INVESTING ACTIVITIES

(34,582)	Purchase of Plant & Equipment	(18,822)
(1,618)	Proceeds of Disposal of Plant & Equipment	-
<hr/>		<hr/>
(36,200)	Net cash provided by (used in) investing activities	(18,822)
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CASH FLOWS FROM FINANCING ACTIVITIES

222,223	Borrowing (Repayment) from (to) Related Entities	(6,462,350)
-	Loan from Bank	5,500,000
-	Borrowing Costs	(11,319)
<hr/>		<hr/>
222,223	Net cash provided by (used in) financing activities	(973,669)
<hr/>		<hr/>
1,874,946	Net increase (decrease) in cash held	2,143,656
1,328,824	Cash at beginning of year	3,203,770
<u>3,203,770</u>	Cash at end of year	<u>5,347,426</u>

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2017

2016

Note (a)

CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with
Operating Profit After Income Tax for the year

2,108,225	Operating Profit After Income Tax	802,549
	Non-cash flows in operating profit	
-	Borrowing	620
21,800	Depreciation	22,866
3,048	Loss on Disposal Assets	107
	Changes in Assets & Liabilities	
5,564	(Increase) Decrease in Deposits	-
(2,095,271)	(Increase) Decrease in Trade Debtors	697,071
(337,904)	(Increase) Decrease in Current Receivables	233,826
(696,040)	(Increase) Decrease in Other	415,472
(267,094)	(Increase) Decrease in Inventories	(822,498)
11,369	(Increase) Decrease in Receivables	-
2,550,672	Increase (Decrease) in Trade Creditors	1,287,208
59,782	Increase (Decrease) in Other Creditors	14,420
87,189	Increase (Decrease) in Provisions	492,877
237,583	Increase (Decrease) in Other	(8,372)
<u>1,688,923</u>	Cash Flows from Operations	<u>3,136,146</u>

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2017

	Accumulated Profit (Losses) \$	Total \$
Balance at 1 April 2015	(3,757,688)	(3,757,688)
Profit Attributable to Members	2,108,225	2,108,225
Balance at 31 March 2016	<u>(1,649,463)</u>	<u>(1,649,463)</u>
Profit Attributable to Members	802,549	802,549
Balance at 31st March 2017	<u>(846,914)</u>	<u>(846,914)</u>

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

NOTE 1 - Statement of Significant Accounting Policies

The directors have prepared the financial report on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Corporations Act 2001. The company is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs unless otherwise stated in the notes. The amounts presented in the financial report have been rounded to the nearest dollar.

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary timing differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Office Equipment - 20% - 40%

Furniture & Fittings - 20%

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in, first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement by the company in those goods.

All revenue is stated net of the amount of goods and services tax (GST).

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

(f) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(g) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Provision for Employee Benefits

Short term employee benefits

Provision is made for the company's obligation for short term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the balance sheet.

Other long term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

The company's obligations for long term employee benefits are presented as non current provisions in its balance sheet, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) 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, and arises principally from the company's receivables from customers and investments in debt securities.

The carrying amount of the following financial assets represents the maximum credit exposure.

Trade and Other Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which its customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings, if they are available, and in some cases, bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the company may have a secured claim. The company does not otherwise require collateral in respect of trade and other receivables.

As at 31st March 2017, the company did not have any significant customer. No single customer's balance was more than 10% of the total receivables.

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

(k) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The majority of the company's trade receivables are due for maturity within 30 days from the date of billing to the customer. Further, the general credit terms for trade payables are approximately 30 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short term working capital needs for the day to day operations of the company. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as cash and invested in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31st March 2017

Trade and Other Payables - \$6,883,256 (less than 2 months)

Loan from Bank - \$5,500,000 (less than 3 years)

31st March 2016

Trade and Other Payables - \$5,704,060 (less than 2 months)

31st March 2015

Trade and Other Payables - \$3,093,606 (less than 2 months)

PHARMACOR PTY LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

(l) Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities.

(m) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The company is exposed to market risk primarily related to foreign exchange risk, interest rate risk and the market value of investments. The company's exposure to market risk is therefore a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

PHARMACOR PTY LIMITED
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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

2016

	<u>NOTE 2 - Cash</u>	
94	Petty Cash	315
	St George Bank -	
11,124	Business Cheque Account	130,505
	ANZ Banking Group Limited -	
355,568	Cheque Account	177,613
	ANZ Banking Group Limited -	
188,922	USD Account	82,768
	ANZ Banking Group Limited -	
298,458	Euro Account	324,234
	ANZ Banking Group Limited -	
2,345,611	Online Saver	4,621,544
	ANZ Banking Group Limited -	
3,993	Debit Cards	9,987
	HSBC Bank Australia Limited -	
-	Cheque Account	460
36,282	Deposits - Rental Bond	36,282
<u>3,240,052</u>		<u>5,383,708</u>

	<u>NOTE 3 - Receivables</u>	
3,873,087	Trade Debtors	3,176,016
	Other Debtors -	
-	PAYG Instalment	7,945
62,042	Prepayments	103,092
	Loan (Unsecured) -	
10,599	Pavan Maligi	-
	Other Debtors -	
272,222	Alkem Laboratories Ltd	-
<u>4,217,950</u>		<u>3,287,053</u>

	<u>NOTE 4 - Inventories</u>	
1,010,547	Stock in Transit	918,937
3,895,476	Stock on Hand	4,809,584
<u>4,906,023</u>		<u>5,728,521</u>

	<u>NOTE 5 - Other</u>	
519,715	GST on Acquisitions	476,634
487,088	Deferred Tax Asset	114,697
<u>1,006,803</u>		<u>591,331</u>

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

2016

	<u>NOTE 6 - Fixed Assets</u>	
47,679	Office Equipment - at Cost	41,075
29,801	Less Prov'n for Depreciation	22,305
17,878		18,770
6,300	Website	6,300
6,226	Less Prov'n for Depreciation	6,300
74		-
19,571	Furniture & Fittings - at Cost	25,256
15,174	Less Prov'n for Depreciation	17,046
4,397		8,210
13,175	Exhibition Signage	-
4,392	Less Written Off	-
8,783		-
31,132		26,980

	<u>NOTE 7 - Intangible Assets</u>	
-	Borrowing Costs	11,319
-	Less Written Off	(620)
-		10,699
-		

	<u>NOTE 8 - Creditors & Borrowings</u>	
5,596,048	Trade Creditors	6,883,256
(500)	Other Creditors	8,993
	Other Creditors -	
11,840	Superannuation Payable	12,179
	Other Creditors -	
32,522	PAYG Withholding	23,526
64,150	Accrued Expenses	77,734
	Loan (Unsecured) -	
1,092,322	Alkem Laboratories Ltd	-
	Loan (Unsecured) -	
5,370,028	S&B Holdings BV	-
12,166,410		7,005,688

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

2016

	<u>NOTE 9 - Provisions</u>	
-	Provision for Credits-Hospital	440,694
49,112	Provision for Annual Leave	63,249
	Provision for Long Service	
30,179	Leave	55,820
	Provision for Fringe Benefits	
8,438	Tax	20,843
<u>87,729</u>		<u>580,606</u>
	<u>NOTE 10 - Other</u>	
<u>492,284</u>	GST on Supplies	<u>483,912</u>
	<u>NOTE 11 - Creditors & Borrowings</u>	
	Loan (Secured) - HSBC Bank	
-	Australia Limited	5,500,000
-		
	<u>NOTE 12 - Share Capital</u>	
	<u>Issued Capital</u>	
	68,313,954 Fully Paid Ordinary	
<u>2,305,000</u>	Shares	<u>2,305,000</u>

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
TRADING ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2017

2016

<u>TRADING ACCOUNT</u>		
18,662,302	Gross Sales	21,576,654
	Less Customer Price Promotions	
(275,434)	& Price Adjustments	(1,521,533)
<hr/>		
18,386,868	Net Sales	20,055,121
 <u>LESS COST OF SALES</u>		
3,542,905	Opening Stock	3,895,472
11,800,214	Purchases	14,009,292
228,948	Spoilage	201,973
<hr/>		
15,572,067		18,106,737
3,895,471	Closing Stock	4,809,583
<hr/>		
11,676,596		13,297,154
<hr/>		
6,710,272		6,757,967
 <u>DIRECT EXPENSES</u>		
141,697	Freight & Cartage	58,318
<hr/>		
6,568,575	TOTAL TRADING PROFIT	6,699,649
<hr/>		

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2017

2016

<u>INCOME</u>		
6,568,575	Gross Profit from Trading	6,699,649
(10,102)	Gain(Loss) on Foreign Exchange	(22,576)
26,313	Interest Received	37,201
223,000	Settlement Receipt	-
15,000	Regulatory Services Fee	35,000
<hr/>		
6,822,786	TOTAL INCOME	6,749,274
<u>EXPENSES</u>		
42,463	Accountancy & Audit	7,688
163,669	Advertising & Marketing	260,932
4,325	Bank Charges	58,955
159,185	Bonuses	225,018
-	Borrowing	620
4,236	Cleaning & Rubbish Removal	4,529
44,967	Commission	39,179
27,774	Computer & Internet	67,900
10,771	Consultants Fees	26,695
21,800	Depreciation	22,866
7,500	Directors Fees	6,546
-	Donations	175
5,446	Electricity	6,284
178,074	Employee Expenses	195,173
1,394	Entertainment	3,673
246	Filing Fees	249
1,941,023	Freight & Cartage	1,755,446
8,438	Fringe Benefits Tax	27,170
3,906	General	6,515
44,218	Insurance	44,814
272,223	Interest	251,935
26,258	Legal Costs	3,771
3,048	Loss on Disposal Assets	107
79,292	Provision for Employee Benefit	39,777
2,194	Payroll Services	2,555
47,405	Payroll Tax	61,431
9,258	Printing, Postage & Stationery	15,762
245,738	Registration Fees	413,905
98,536	Rent	91,510
5,637	Relocation	6,658
536	Repairs & Maintenance	691
1,385,334	Salaries	1,500,614
683	Security	1,478
3,319	Staff Amenities	4,287
15,227	Staff Recruitment	40,653
5,586	Staff Training	4,700
6,472	Storage	5,187
1,352	Subscriptions & Memberships	1,943
144,944	Superannuation	151,927

The accompanying notes form part of this financial report

PHARMACOR PTY LIMITED
A.B.N. - 58 121 020 835
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2017

2016

25,042	Telephone	30,903
144,168	Travelling	164,529
9,962	Workers Compensation Insurance	4,817
<u>5,201,649</u>	TOTAL EXPENSES	<u>5,559,567</u>
	OPERATING PROFIT	
1,621,137	BEFORE INCOME TAX	1,189,707
(487,088)	Deferred Tax (Income) Expense	372,392
	OPERATING PROFIT	
2,108,225	AFTER INCOME TAX	817,315
	<u>Extraordinary Items</u>	
-	Loan Forgiven	(14,766)
	OPERATING PROFIT	
2,108,225	AFTER INCOME TAX	802,549
	Accumulated Losses	
(3,757,688)	as at 1st April 2016	(1,649,463)
<u>1,649,463</u>	ACCUMULATED LOSSES	<u>846,914</u>
<u>1,649,463</u>	ACCUMULATED LOSSES	<u>846,914</u>

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