Pharmacor Pty Limited

ABN 58 121 020 835
Financial Statements for the year ended 31 March 2021

PHARMACOR PTY LIMITED
For the year ended 31 March 2021

Contents

Directors' Report

The Directors of Pharmacor Pty Limited (the Company) present their report together with the financial statements of the company for the year ended 31 March 2021.

Director details

The following persons were Directors of the company during or since the end of the financial year:

- Mr Amit Ghare
- Mr Basudeo Narian Singh
- Mr Joseph Diago Fernandes
- Mr Andrew Guy Phillips
- Mr Richard Mlynarcik
- Mr Ashish Mallela

Review of operations

The result of the Company for the year after providing for income tax amounted to a profit of $ 1,914,526 (2020: $2,700,902).

Pharmacor is a rapidly-growing generic pharmaceutical company based in Sydney, Australia. Our focus is on bringing the best value to pharmacies and consumers.
We have launched a number of 1st to market generics and have a strong pipeline of products.
Our Over-the-counter portfolio is optimized to deliver the best value to retail pharmacies nationwide.

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 arising since the end of the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Company up to 31 March 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The company has acquired a range of products under the brand Skin Basics from iNova Pharmaceuticals Pte Limited after the reporting date.

No other matter or circumstance has arisen since 31 March 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Future developments, prospects and business strategies

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 legislation

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

PHARMACOR PTY LIMITED
For the year ended 31 March 2021

Directors' Report

Dividends paid or recommended

There were no dividends paid or declared during the financial year (2020: nil).

Options

No options over issues 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 (2020: nil).

Indemnity and insurance of officers

During the financial year, the Company has not indemnified or agreed to indemnify any current or former directors for any costs incurred defending an action against them nor has any insurance premiums been paid.

Indemnity and insurance of auditors

During the financial year, the Company has not indemnified or agreed to indemnify the auditors for any costs incurred defending an action against them nor has any insurance premiums been paid.

Proceedings of behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

The auditor's independence declaration is included on page 3.

This report is signed in accordance with a resolution of Directors made pursuant to s298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors.

Ashish Mallela
Director

6-May-21

Richard Mlynarcik
Director

6-May-21

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY STEVE MAY TO THE DIRECTORS OF PHARMACOR PTY LIMITED

As lead auditor of Pharmacor Pty Limited for the year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Steve May
Director

BDO Audit Pty Ltd

Sydney

06 May, 2021

Statement of profit or loss and other comprehensive income
For year ended 31 March 2021

	Notes	2021 $	2020 $
Revenue	4	26,204,541	29,988,178
Cost of sales		(17,150,460)	(18,543,053)
Gross profit		**9,054,081**	**11,445,125**
Other Income	5	48,971	6,924
Sales and marketing expenses		(66,985)	(182,073)
Distribution expenses		(1,716,621)	(1,964,277)
Employee benefits expense		(2,760,144)	(3,229,866)
Depreciation and amortisation		(173,601)	(169,728)
Occupancy expense		(19,878)	(37,411)
Legal and professional fees		(1,226,965)	(975,942)
Administration expenses		(375,952)	(688,255)
Finance costs	6	(27,438)	(220,893)
Foreign exchange losses, net		-	(118,730)
Profit before income tax		**2,735,468**	**3,864,874**
Income tax expense	7	(820,942)	(1,163,972)
Profit for the year		**1,914,526**	**2,700,902**
Other comprehensive income			
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		**1,914,526**	**2,700,902**

This statement should be read in conjuction with the notes to the financial statements.

PHARMACOR PTY LIMITED

Statement of Financial Position
As at 31 March 2021

	Notes	2021 $	2020 $
Assets			
Current			
Cash and cash equivalents	10	4,543,971	1,709,326
Trade and other receivables	11	6,054,463	7,598,063
Inventories	13	4,803,421	4,708,242
Other assets	12	436,498	849,081
Total current assets		**15,838,353**	**14,864,712**
Non-current			
Property, plant and equipment	15	98,755	124,919
Right-of-use assets	14	190,457	285,686
Other financial assets	12	79,787	79,787
Deferred tax assets	9	460,666	447,608
Total non-current assets		**829,665**	**938,000**
Total assets		**16,668,018**	**15,802,712**
Liabilities			
Current			
Trade and other payables	16	8,317,286	8,452,933
Lease liabilities	17	112,435	103,956
Provisions	18	147,601	189,757
Current tax liability	8	77,527	838,078
Total current liabilities		**8,654,849**	**9,584,724**
Non-current			
Lease liabilities	17	68,570	181,006
Provisions	18	89,221	96,130
Total non-current liabilities		**157,791**	**277,136**
Total liabilities		**8,812,640**	**9,861,860**
Net assets		**7,855,378**	**5,940,852**
Equity			
Share capital	19	2,305,000	2,305,000
Retained Earnings		5,550,378	3,635,852
Total equity		**7,855,378**	**5,940,852**
Total liabilities & equity		**16,668,018**	**15,802,712**

This statement should be read in conjuction with the notes to the financial statements.

Statement of Changes in Equity
As at 31 March 2021

	Share capital $	Retained Earnings $	Total equity $
Balance at 1 April 2019	2,305,000	934,950	3,239,950
Profit after income tax for the year	-	2,700,902	2,700,902
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	2,700,902	2,700,902
Balance at 31 March 2020	**2,305,000**	**3,635,852**	**5,940,852**
Balance at 1 April 2020	2,305,000	3,635,852	5,940,852
Profit after income tax for the year	-	1,914,526	1,914,526
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,914,526	1,914,526
Balance at 31 March 2021	**2,305,000**	**5,550,378**	**7,855,378**

This statement should be read in conjuction with the notes to the financial statements.

PHARMACOR PTY LIMITED

Statement of Cash Flows
For the year ended 31 March 2021

	Notes	2021 $	2020 $
Operating services			
Receipts from customers (inclusive of GST)		29,260,084	31,890,872
Payments to suppliers and employees (inclusive of GST)		(24,662,131)	(26,214,902)
Interest received		14,846	6,924
Finance costs		(27,438)	(220,893)
Income taxes (paid)		(1,594,551)	(368,150)
Net cash provided by operating activities	20	**2,990,810**	**5,093,851**
Investing activities			
Purchase of property, plant and equipment	15	(52,209)	(29,110)
Net cash (used in) investing activities		**(52,209)**	**(29,110)**
Financing activities			
Repayments of lease liabilities (inclusive of GST)		(103,956)	(140,364)
Loan received		-	1,000,000
Loan repaid		-	(6,500,000)
Net cash (used in) financing activities		**(103,956)**	**(5,640,364)**
Net change in cash and cash equivalents		2,834,645	(575,624)
Cash and cash equivalents, beginning of year		1,709,326	2,284,950
Cash and cash equivalents, end of year	10	**4,543,971**	**1,709,326**

This statement should be read in conjuction with the notes to the financial statements.

PHARMACOR PTY LIMITED

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

1 General information and statement of compliance

The financial report includes the financial statements and notes of Pharmacor Pty Limited (Company).

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. Pharmacor Pty Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 31 March 2021 were approved and authorised for issue by the Board of Directors on 06 May 2021.

2 Application of new and revised Accounting Standards

New and revised standards that are effective for these financial statements

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

3 Summary of accounting policies

Basis of preparation

The financial statements have been prepared on the basis of historical cost, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The principal accounting policies are set out below.

3.1 Going concern basis of accounting

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The report does not include any adjustments relating to the amounts or classification or recorded assets or liabilities that might be necessary if the company does not continue as a going concern. The directors consider that it is reasonably foreseeable that the company will continue as a going concern and therefore it will realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

3.2 Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

3 Summary of accounting policies (continued)

3.3 Foreign currency translation

The financial statements are presented in Australian Dollars ($AUD), which is also the functional currency of the Company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.4 Revenue

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

3 Summary of accounting policies (continued)

3.5 Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'weighted average cost' basis.

Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value.

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

3.6 Property, plant and equipment

Plant and equipment are measured using the cost model, cost less depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment. The following useful lives are applied:

- Office equipment: 20-40%
- Furniture and fittings: 5%
- Leasehold improvements: 20%
- Software: 40%

Any residual value estimates and estimates of useful life are updated as required, but at least annually.

Lease hold improvements are amortised over the period of useful life or the lease term, whichever is shorter.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

3.7 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

3 Summary of accounting policies (continued)

3.8 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

3.9 Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an expected credit losses account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

The company has assessed the impact of Covid-19 on the business and is not anticipating any credit loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3.10 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

3 Summary of accounting policies (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented separately in Statement of profit or loss.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The company has assessed the impact of Covid-19 on the business and is not anticipating any credit loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

3 Summary of accounting policies (continued)

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due and allows 100% for amounts that are more than 180 days past due.

Classification and measurement of financial liabilities

The Company’s financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

3.11 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

3 Summary of accounting policies (continued)

Deferred income taxes are calculated using the balance sheet method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.13 Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Provision is made for the company's obligation for short term employee benefits. The company's obligations for short term employee benefits such as wages and salaries are recognised as part of current trade and Other payables in the balance sheet.

Other long-term employee benefits

The Company's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

3 Summary of accounting policies (continued)

3.14 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 using the best estimate of amounts required to settle the obligation at the end of the reporting period.

3.15 Critical accounting judgements and key sources of estimation uncertainty

Estimation uncertainty
When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Determination of variable consideration
Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the company where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Deferred tax assets
The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Deferred tax assets were recognised by the Company to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3 Summary of accounting policies (continued)

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Inventories
Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date.

Provisions – Long service leave
The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered include the importance of the asset to the company operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

	2021 $	2020 $

4 Revenue

The Company's revenue may be analysed as follows for each major product and service category:

	2021 $	2020 $
Sale of goods, net of claims	26,204,541	29,988,178
Total revenue, net of claims	**26,204,541**	**29,988,178**

Customer rebates includes $11,640,702 (2020: $7,888,294)

5 Other income

Other income consists of the following:

	2021 $	2020 $
Interest income from cash and cash equivalents	14,846	6,924
Foreign exchange gains	34,125	-
Total other income	**48,971**	**6,924**

6 Finance costs

Finance costs consist of the following:

	2021 $	2020 $
Interest expense	-	194,524
Interest expense - Lease	9,972	13,332
Bank charges	17,466	13,037
Total finance costs	**27,438**	**220,893**

7 Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Pharmacor Pty Limited at 30% (2020: 30%) and the reported tax expense in profit or loss are as follows:

	2021 $	2020 $
Income tax expense		
Current tax	834,000	1,400,610
Deferred tax – origination and reversal of temporary differences	(13,058)	(236,638)
Reversed tax losses previously recognised	-	-
Income tax expense	**820,942**	**1,163,972**
Deferred tax included in income tax expense comprises:		
(Increase) in deferred tax assets	(13,058)	(236,638)
(Decrease) in deferred tax liabilities	-	-
Deferred tax expense	**(13,058)**	**(236,638)**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before tax	2,735,468	3,864,874
Income tax expense calculated at 30% (2020: 30%)	820,641	1,159,462
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
· Permanent difference	301	4,510
· Reversal of temporary differences	-	-
Tax expense / (income)	**820,942**	**1,163,972**

The tax rate used for the 2021 and 2020 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

	2021 $	2020 $
8 Tax assets / liabilities		
Tax liabilities		
Income tax payable	77,527	838,078
Tax liability - current	**77,527**	**838,078**
9 Deferred tax assets and liabilities		
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provision for wholesaler credits	379,244	319,248
Provision for doubtful debts	4,838	37,151
Employee benefits	76,584	91,209
Total	**460,666**	**447,608**
Net deferred tax asset	**460,666**	**447,608**
Movements:		
Opening balance	447,608	210,970
Credited to profit or loss	13,058	236,638
Closing balance:	**460,666**	**447,608**

10 Cash and cash equivalents

Cash and cash equivalents consist the following:

	2021 $	2020 $
Cash at bank	4,543,843	1,709,198
Cash on hand	128	128
	4,543,971	**1,709,326**

11 Trade and other receivables

Trade and other receivables consist of the following:

	2021 $	2020 $
Trade receivables	5,972,087	5,822,641
Less: Provision for claims	(1,264,148)	(1,064,161)
	4,707,939	**4,758,480**
Less: Allowance for credit losses	(16,126)	(123,836)
Receivables due from related parties	270,519	1,927,333
Total trade receivables	**4,962,332**	**6,561,977**
Other receivables	1,092,131	1,036,086
Total trade and other receivables	**6,054,463**	**7,598,063**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The Company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired. The other classes of receivables do not contain impaired assets.

For trade receivables and contract assets under AASB 15, the company applies simplified approach of recognising lifetime expected credit losses. There is a decrease in impairment allowance for trade receivables beacuse company has written off receivable for $107,710 (2020: $0) as at 31st March 2021.

	2021 $	2020 $

11 Trade and other receivables (continued)

Movement in the allowance for impairment of receivables:		
Balance at the beginning of the year / period	(123,836)	(123,836)
Amounts written off as uncollectible	107,710	-
Balance at the end of the year / period	**(16,126)**	**(123,836)**

12 Other financial assets

Other assets consist of the following:

Current		
Prepayments	162,577	157,191
Staff loans & advances	5,964	15,452
Term deposit	240,000	-
FBT receivable	27,957	15,312
GST receivable	-	661,126
Other assets - current	**436,498**	**849,081**

Non- current		
Security deposit	79,787	79,787
	79,787	**79,787**

The security deposits relate to bonds on the office premises.

13 Inventories

Inventories consist of the following:

Current		
Stock in trade	4,601,066	4,661,964
Less: Allowance for stock obsolescence	(109,872)	(53,376)
Inventory In transit	312,227	99,654
Total Inventories	**4,803,421**	**4,708,242**

Movement in the allowance for stock obsolescence:		
Balance at the beginning of the year	(53,376)	(77,789)
(Increase)/Decrease in provision	(56,496)	24,413
Balance at the end of the year	**(109,872)**	**(53,376)**

14 Right-of-use assets

Right-of-use assests consist of the following:

Office Lease	380,914	380,914
Less: Amortisation	(190,457)	(95,228)
Balance at the end of the year	**190,457**	**285,686**

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

15 Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amount are as follows:

$

	Leasehold Improvement	Office equipment	Software	Furniture and fittings	Total
Gross carrying amount					
Balance 1 April 2019	56,492	61,341	106,529	6,073	230,435
Additions	9,010	11,983	6,347	1,770	29,110
Disposals	-	-	-	-	-
Balance 31 March 2020	**65,502**	**73,324**	**112,876**	**7,843**	**259,545**
Depreciation and impairment					
Balance 1 April 2018	(13,253)	(27,158)	(19,513)	(202)	(60,126)
Depreciation	(12,992)	(19,044)	(42,087)	(377)	(74,500)
Disposals	-	-	-	-	-
Balance 31 March 2020	**(26,245)**	**(46,202)**	**(61,600)**	**(579)**	**(134,626)**
Carrying amount 31 March 2020	**39,257**	**27,122**	**51,276**	**7,264**	**124,919**

	Leasehold Improvement	Office equipment	Software	Furniture and fittings	Total
Gross carrying amount					
Balance 1 April 2020	65,502	73,324	112,876	7,843	259,545
Additions	2,039	38,470	545	11,155	52,209
Disposals	-	-	-	-	-
Balance 31 March 2021	**67,541**	**111,794**	**113,421**	**18,998**	**311,754**
Depreciation and impairment					
Balance 1 April 2020	(26,245)	(46,202)	(61,600)	(579)	(134,626)
Depreciation	(13,107)	(22,145)	(42,678)	(443)	(78,373)
Disposals	-	-	-	-	-
Balance 31 March 2021	**(39,352)**	**(68,347)**	**(104,278)**	**(1,022)**	**(212,999)**
Carrying amount 31 March 2021	**28,189**	**43,447**	**9,143**	**17,976**	**98,755**

All depreciation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

	2021 $	2020 $
16 Trade and other payables		
Trade and other payables recognised consist of the following:		
Trade payables	661,400	963,525
Accrued expenses	969,425	685,863
Other payables	73,481	32,108
GST payable	144,908	-
Payables owed to related parties	6,468,072	6,771,437
Total trade and other payables	**8,317,286**	**8,452,933**

All amounts are short-term. The net carrying value of trade payables is considered a reasonable approximation of fair value. The Company has financial risk management policies in place to ensure that all payables are paid within pre-agreed credit terms.

17 Lease Liabilities

Lease Liability - Current	112,435	103,956
Lease Liability - Non Current	68,570	181,006

Incremental borrowing rate appiled to discount the lease liability - 3.5%

18 Provisions

· Provision for annual leave	99,823	172,590
· Provision for long service leave - current	47,778	17,167
Total provisions - current	**147,601**	**189,757**
· Provision for long service leave - non current	89,221	96,130
Total provisions - non current	**89,221**	**96,130**

19 Equity

Share capital

The share capital of Pharmacor Pty Limited consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Pharmacor Pty Limited.

	Shares Number	Share capital $
Shares issued and fully paid:		
Balance at 1 April 2019	68,313,954	2,305,000
Share issue	-	-
Total contributed equity at 31 March 2020	**68,313,954**	**2,305,000**
Shares issued and fully paid:		
Balance at 1 April 2020	68,313,954	2,305,000
Share issue	-	-
Total contributed equity at 31 March 2021	**68,313,954**	**2,305,000**

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

20 Cash flow information

	2021 $	2020 $
Cash flows from operating activities		
Profit for the period	1,914,526	2,700,902
Adjustments for non-cash flows in profit:		
· Depreciation and amortisation	173,601	169,728
· Exchange rate (Gain) / Loss	(34,125)	44,411
Changes in assets and liabilities		
· (Increase) / Decrease in inventory	(95,180)	4,769,145
· Decrease / (Increase) in trade and other receivables	1,543,600	(2,894,432)
· Decrease / (Increase) in other assets	412,583	(745,688)
· (Increase) / Decrease in current tax asset	-	133,410
· (Increase) in deferred tax asset	(13,058)	(236,638)
· (Decrease) / Increase in trade and other payables	(101,521)	204,941
· (Decrease) / Increase in current tax liabilities	(760,551)	838,078
· (Decrease) / Increase in provisions - current	(42,156)	88,438
· (Decrease) / Increase in provisions - non current	(6,909)	21,555
Net cash from operating activities	**2,990,810**	**5,093,851**

21 Contingent assets and contingent liabilities

The company has an ongoing litigation regarding infringement of certain intellectual properties. The Directors are of the opinion that the possibility of an outflow of resources is unlikely and accordingly, no provision for contingencies have been made.

22 Commitments

The company has entered into a contractual agreement with 3PL provider for storage facility for 5 years with an option to renew for another 3 years. There is no lease under the contract and hence not accounted as Right to use asset per AASB 16 Leases. Contractual commitment during the period of 8 years is $1,932,000 (undiscounted value)

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

23 Financial Instruments - Fair Value and Risk Management
A. Accounting classification and fair values

The following table shows the financial assets and liabilities held by the company as at 31st March 2021 and 31st March 2020:

Particulars	Carrying amount in AUD as at 31st March, 2021			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	4,543,971	4,543,971
Trade and other receivables	-	-	6,054,463	6,054,463
Other Non-current financial asset	-	-	79,787	79,787
	-	**-**	**10,678,221**	**10,678,221**
Financial liabilities				
Long term liabilities (Including current maturity of Long term borrowings)	-	-	-	-
Trade and other payables	-	-	8,317,286	8,317,286
	-	**-**	**8,317,286**	**8,317,286**

	Carrying amount in AUD as at 31st March, 2020			
	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Cash and cash equivalents	-	-	1,709,326	1,709,326
Trade and other receivables	-	-	7,598,063	7,598,063
Other Non-current financial asset	-	-	79,787	79,787
	-	**-**	**9,387,176**	**9,387,176**
Financial liabilities				
Long term borrowings (Including current maturity of Long term borrowings)	-	-	-	-
Trade and other payables	-	-	8,452,933	8,452,933
	-	**-**	**8,452,933**	**8,452,933**

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ;
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

23 Financial Instruments - Fair Value and Risk Management (continued)

ii. 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 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

The company has assessed the impact of Covid-19 and is not expecting any credit risk.

The company sells the products in local markets only.
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

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31st March, 2021, the company did not have any significant customer. The balance receivable from Alkem Laboratories Ltd. (which is a related party) makes up 4% of outstanding trade receivables as at 31st March 2021.

Impairment
At March 31, 2021, the ageing of trade and other receivables that were not impaired was as

	March 31, 2021	March 31, 2020
Neither past due nor impaired	2,280,414	989,254
Past due 1–180 days	3,429,121	5,509,598
Past due more than 180 days	344,927	1,099,211
	6,054,462	7,598,063

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

23 Financial Instruments - Fair Value and Risk Management (continued)

iii. 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

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 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 Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

The company has assessed the impact of Covid-19 and is not expecting any liquidity risk.

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, 2021	Contractual cash flows						
	Carrying amount	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
$							
Non-derivative financial liabilities							
Lease Liability - Non Current	68,570	-	-	68,570	-	-	68,570
Lease Liability - Current	112,435	18,739	93,696	-	-	-	112,435
Trade and other payables	8,317,286	1,482,738	6,834,548	-	-	-	8,317,286

31st March, 2020	Contractual cash flows						
	Carrying amount	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
$							
Non-derivative financial liabilities							
Lease Liability - Non Current	181,006	-	-	114,320	66,686	-	181,006
Lease Liability - Current	103,956	17,326	86,630	-	-	-	103,956
Trade and other payables	8,452,933	5,143,550	3,309,383	-	-	-	8,452,933

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

23 Financial Instruments - Fair Value and Risk Management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – which 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 exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

Currency risk

The Company is not exposed to currency risk on account of its borrowings, other payables, receivables and loans and advances in foreign currency, as such items are transacted at the functional currency of the Company, which is Australian Dollars (AUD).

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 values 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.

The Company is not exposed to interest rate risk as the borrowing is at fixed interest rate

Thus, the Company is not exposed to market risk related to Currency risk and Interest rate risk.

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

24 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at March 31, 2021 and March 31, 2020 was as follows.

	As at 31st March, 2021 AUD	As at 31st March, 2020 AUD
Total borrowing	**-**	-
Less : Cash and cash equivalent	**(4,543,971)**	(1,709,326)
Adjusted net debt	**(4,543,971)**	(1,709,326)
Total equity	**7,855,378**	5,940,852
Adjusted equity	**7,855,378**	5,940,852
Adjusted net debt to adjusted equity ratio	**(0.58)**	(0.29)

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

25 Related party transactions

The Company's related parties include its key management and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with other parties

For all the purchase made from Alkem Laboratories Ltd, payment terms is 180 days from bill of lading and shipping terms Cost, Insurance, and Freight (CIF).

	Expense recharges		Purchases of goods & services	
	2021	2020	2021	2020
	$	$	$	$
Alkem Laboratories Ltd	804,833	1,111,717	12,753,268	10,284,430
Alkem Laboratories Korea Inc	11,052	-	-	-
Ascend Laboratories Sdn.Bhd.	1,618	-	-	-

	Guarantee commission expense	
	2021	2020
	$	$
Alkem Laboratories Ltd	10,660	11,452

	Amounts owed by related		Amounts owed to related parties	
	2021	2020	2021	2020
	$	$	$	$
Alkem Laboratories Ltd	270,519	1,927,333	6,468,072	6,771,437
Ascend Laboratories Sdn.Bhd.	1,618	-	-	-

Transactions with key management personnel

Key management of the Company are the executive members of Pharmacor Pty Limiteds Board of Directors. Key management personnel remuneration includes the following expenses:

	2021	2020
	$	$
Total key management personnel remuneration	569,636	567,629

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

26 Earning Per Share

Particulars			$ Year ended 31st March, 2021	$ Year ended 31st March, 2020
Profit /(loss) after tax attributable to equity shareholders	AUD	A	1,914,526	2,700,902
Number of equity shares at the beginning of the year	Nos.		68,313,954	68,313,954
Equity shares issued during the period	Nos.		-	-
Number of equity shares outstanding at the end of the year	Nos.		68,313,954	68,313,954
Weighted average number of equity shares outstanding during the year	AUD	B	68,313,954	68,313,954
Basic and diluted earnings per equity share	AUD	(A / B)	0.03	0.04

Notes to the Financial Statements for the Financial Year ended 31st March, 2021

27 Segment Reporting

The Company is in the pharmaceutical business. As the Company has a single reportable segment, the segment wise disclosure requirements on Operating Segment is not applicable. In compliance to the said standard, Entity-Wise disclosures are as under :

	Particulars	$ For the year ended 31st March, 2021	$ For the year ended 31st March, 2020
a)	Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues		
	Revenue from Australia	26,204,541	29,988,178
	Revenue from foreign countries	-	-
		26,204,541	**29,988,178**

b) Major Customers having external revenue exceeded 10% of total revenue

	31st March, 2021		31st March, 2020	
Customer Name	**Sales Value**	**Cont %**	**Sales Value**	**Cont %**
Australian Pharmaceutical Industries	8,560,285	32.7%	11,336,091	37.8%
Symbion Pty Ltd	6,241,826	23.8%	5,791,604	19.3%
Sigma Healthcare Ltd	3,913,410	14.9%	1,759,742	5.9%

28 Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Company up to 31 March 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The company has acquired a range of products under the brand Skin Basics from iNova Pharmaceuticals Pte Limited after the reporting date.

No other matter or circumstance has arisen since 31 March 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

29 Company details

The registered office of business of the Company is:
Joseph Shamia & Co. Suite 1
307-317 Condamine Street
Manly Vale, NSW 2093

The principal place of business of the Company is:
Pharmacor Pty Limited
Suite 803, Level 8, Tower A, The Zenith
821 Pacific Highway, Chatswood, NSW 2067

Directors' Declaration

1 In the opinion of the Directors of Pharmacor Pty Limited:

a The financial statements and notes of Pharmacor Pty Limited are in accordance with the *Corporations Act 2001* , including

i Giving a true and fair view of its financial position as at 31 March 2021 and of its performance for the financial year ended on that date; and

ii Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* ; and

b There are reasonable grounds to believe that Pharmacor Pty Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Ashish Mallela	Richard Mlynarcik
Director	Director
6-May-21	6-May-21

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Pharmacor Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pharmacor Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Ltd, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Company's financial position as at 31 March 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the 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 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 has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Director

Stephen May

Sydney, 06 May 2021