

Script Management Services (Pty) Ltd

(Registration number 2009/019696/07)

**Financial statements
for the year ended 31 December 2019**

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Script Management Services (Pty) Ltd

(Registration number: 2009/019696/07)

Financial Statements for the year ended 31 December 2019

General Information

Country of incorporation and domicile	South Africa
Directors	IF Oliver V Shiva NY Shah
Registered office	Southdown Office Park Building B Centurion, Gauteng South Africa 0157
Postal address	Postnet Suite 100 Private Bag X 32 Highveld Park 0169
Bankers	Nedbank
Auditors	GNR Auditors Chartered Accountants (SA) Registered Auditors
Company registration number	2009/019696/07
Tax reference number	9042346222



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Financial Statements for the year ended 31 December 2019

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Independent Auditor's Report

To the shareholder of Script Management Services (Pty) Ltd

Opinion

We have audited the financial statements of Script Management Services (Pty) Ltd (the company) set out on pages 7 to 16, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Script Management Services (Pty) Ltd as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled Script Management Services (Pty) Ltd financial statements for the year ended 31 December 2019, which includes the Directors' Report as required by the Companies Act of South Africa 71 of 2008 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

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

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

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

Auditor's responsibilities for the audit of the Financial Statements

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

- 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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


GMR Auditors
G.R. Rademeyer(CA)SA
Partner
Chartered Accountants (SA)
Registered Auditors

20 March 2020
Potchefstroom

Script Management Services (Pty) Ltd

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Financial Statements for the year ended 31 December 2019

Directors' Responsibilities and Approval

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

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

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

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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 4.

The financial statements set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 20 March 2020 and were signed on its behalf by:

Approval of financial statements



V Shiva



NY Shah



IF Oliver

Friday, 20 March 2020

Script Management Services (Pty) Ltd

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Financial Statements for the year ended 31 December 2019

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Script Management Services (Pty) Ltd for the year ended 31 December 2019.

1. Nature of business

Script Management Services (Pty) Ltd was incorporated in South Africa with interests in the marketing research activities. The company operates in South Africa.

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

2. Share capital

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

3. Directors

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

Directors

IF Oliver

V Shiva

NY Shah

4. Events after the reporting period

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

5. Auditors

GNR Auditors continued in office in accordance with Section 90 of the Companies Act 71 of 2008.



Script Management Services (Pty) Ltd

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Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Current Assets			
Trade and other receivables	4	-	650,935
Cash and cash equivalents	5	1,145,227	42,375
Total Assets		1,145,227	693,310
Equity and Liabilities			
Equity			
Share capital	6	300,000	300,000
Retained income		328,566	326,189
		628,566	626,189
Liabilities			
Non-Current Liabilities			
Other current liabilities	7	425,271	2,774
Current Liabilities			
Trade and other payables	8	90,419	62,734
Current tax payable		971	1,613
		91,390	64,347
Total Liabilities		516,661	67,121
Total Equity and Liabilities		1,145,227	693,310



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 Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Sale of services			
Cost of services	9	56,879,433	34,810,414
Gross profit	10	(56,824,427)	(34,763,378)
Operating expenses		55,006	47,036
Operating profit		(51,517)	(41,272)
Finance costs		3,489	5,764
Profit before taxation		(20)	-
Taxation		3,469	5,764
Profit for the year	11	(1,092)	(1,613)
Other comprehensive income		2,377	4,151
Total comprehensive income for the year		2,377	4,151

Handwritten signature and initials, possibly 'JL' and 'JL', with a checkmark-like symbol above them.

Script Management Services (Pty) Ltd
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Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance at 01 January 2018	1	299,999	300,000	322,038	622,038
Profit for the year	-	-	-	4,151	4,151
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4,151	4,151
Balance at 01 January 2019	1	299,999	300,000	326,189	626,189
Profit for the year	-	-	-	2,377	2,377
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,377	2,377
Balance at 31 December 2019	1	299,999	300,000	328,566	628,566
Note(s)	6	6	6		

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Statement of Cash Flows

Figures in Rand

	Note(s)	2019	2018
Cash flows from operating activities			
Cash receipts from customers		57,506,012	34,844,344
Cash paid to suppliers and employees		(56,401,406)	(34,802,846)
Cash generated from operations		1,104,606	41,498
Finance costs	13	(20)	-
Tax paid	14	(1,734)	(599)
Net cash from operating activities		1,102,852	40,899
Total cash movement for the year		1,102,852	40,946
Cash at the beginning of the year		42,375	1,429
Total cash at end of the year	5	1,145,227	42,375

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

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

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

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.2 Intangible assets

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

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

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

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

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

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Accounting Policies

1.3 Financial Instruments

Financial instruments at amortised cost

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

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

1.4 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

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

Tax expenses

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

1.5 Impairment of assets

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

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

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

1.6 Share capital and equity

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

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Accounting Policies

1.6 Share capital and equity (continued)

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

1.7 Revenue

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

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

1.8 Borrowing costs

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



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Notes to the Financial Statements

Figures in Rand

	2019			2018		
2. Property, plant and equipment						
	2019			2018		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
IT equipment	25,600	(25,600)	-	25,600	(25,600)	-
3. Intangible assets						
	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Other commercial rights	230,000	(230,000)	-	230,000	(230,000)	-
4. Trade and other receivables						
Trade receivables						650,935
5. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Bank balances				1,145,227		42,375
6. Share capital						
Issued Ordinary Share premium				1	1	299,999
				299,999		299,999
				300,000		300,000
7. Other current liabilities						
VAT Advance payment				131		2,774
				425,140		-
				425,271		2,774
8. Trade and other payables						
Trade payables				90,419		62,734
9. Sale of services						
Sale of services				56,879,433		34,810,414
10. Cost of services						
Cost of services				56,824,427		34,763,378

Script Management Services (Pty) Ltd
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 Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements

Figures in Rand

	2019	2018
11. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year		
South African normal tax - prior period (over) under provision	972	1,613
	120	-
	1,092	1,613
12. Auditor's remuneration		
Audit Fees	35,000	30,000
Consulting	5,650	1,880
	40,650	31,880
13. Cash generated from operations		
Profit before taxation	3,469	5,764
Adjustments for:		
Finance costs	20	-
Changes in working capital:		
Trade and other receivables	650,935	33,929
Trade and other payables	27,685	(969)
Other current liabilities	422,497	2,774
	1,104,606	41,498
14. Tax paid		
Balance at beginning of the year		
Current tax for the year recognised in loss	(1,613)	(608)
Prior year adjustment	(1,092)	(1,613)
Balance at end of the year	971	9
	(1,734)	(599)

Script Management Services (Pty) Ltd

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Notes to the Financial Statements

Figures in Rand

	2019	2018
15. Related parties		
Relationships		
Holding company	Zydus Healthcare SA (Pty) Ltd	
Related party balances and transactions with entities with control, joint control or significant influence over the company		
Related party balances		
Amounts included in accounts receivable (accounts payable) regarding related parties		
Zydus Healthcare SA (Pty) Ltd	(425,140)	650,935
Share capital issued		
Zydus Healthcare SA (Pty) Ltd	300,000	300,000
Related party transactions		
Data fees to (received from) related parties		
Zydus Healthcare SA (Pty) Ltd	(58,824,283)	(34,645,907)
Administration fees paid to (received from) related parties.		
Zydus Healthcare SA (Pty) Ltd	(55,150)	(47,130)



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Detailed Income Statement

Figures in Rand	Note(s)	2019	2018
Revenue			
Sale of services		56,879,433	34,810,414
Cost of services			
	10	(56,824,427)	(34,763,378)
Gross profit		55,006	47,036
Operating expenses			
Auditors remuneration	12	(35,000)	(31,880)
Bank charges		(10,867)	(9,392)
Consulting and professional fees		(5,850)	-
Operating profit		(51,517)	(41,272)
Finance costs		3,489	5,764
Profit before taxation		(20)	-
Taxation	11	3,489	5,764
Profit for the year		(1,092)	(1,813)
		2,377	4,151