

# **Lupin Australia Pty Ltd**

**A.C.N. 112 038 105**

**Annual report for the  
financial year ended 31 March 2020**

<b>Table of contents</b>	<b>Page</b>
Directors' report	1
Auditor's independence declaration	3
Independent Auditor's Report	4
Directors' declaration	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

## Directors' report

The directors of Lupin Australia Pty Ltd (the 'company') submit herewith the annual report for the financial year ended 31 March 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the financial year are:

### Name

- Mr Sunil Makharia
- Mr Fabrice Ergos
- Mr Ashutosh Damle

The above named directors held office during and since the end of the financial year unless otherwise stated.

### Principal activities

The company's principle activities were the registration of dossiers / products and brands for marketing and distribution of generic pharmaceutical products in Australia.

No significant change in the nature of these activities occurred during the financial year.

### Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The company reported a loss after tax of \$33,035 (2019: \$43,560).

### Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial year.

### Subsequent events

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity. The company considers this to be a non-adjusting post balance sheet event and the financial effects of COVID-19 has no material impacts to the company's financial statements at 31 March 2020.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

### Future developments

Disclosures of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

### Environmental regulations

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

### Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

**Share options**

No options over unissued 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 end of the financial year.

**Indemnification of officers and auditors**

During or since the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

**Proceedings on behalf of the company**

No person has applied for leave of court to bring proceedings on behalf of the company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the financial year.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 3 of the annual report.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Mr. Ashutosh Damle  
Director  
Melbourne, 11 May 2020

11 May 2020

The Board of Directors  
Suite 2, Level 2  
19-23 Prospect Street  
BOX HILL VIC 3128

Dear Board Members

### **Lupin Australia Pty Ltd**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Lupin Australia Pty Ltd.

As lead audit partner for the audit of the financial statements of Lupin Australia Pty Ltd for the financial year ended 31 March 2020, I declare to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Craig Bryan  
Partner  
Chartered Accountants

## Independent Auditor's Report to the members of Lupin Australia Pty Limited

### Report on the Audit of the Financial Report

#### **Opinion**

We have audited the financial report of Lupin Australia Pty Ltd (the "Company") which comprises the statement of financial position as at 31 March 2020, 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 statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Regime and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our 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 comprises directors report for the year ended 31 March 2020 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 we do not express any form of assurance conclusion thereon.

## ***Other Information (continued)***

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, 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 Regime 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 ability of the Company 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## ***Auditor's Responsibilities for the Audit of the Financial Report (continued)***

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DELOITTE TOUCHE TOHMATSU

Craig Bryan  
Partner  
Chartered Accountants  
Melbourne, 11 May 2020

## Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 March 2020 and performance of the company for the year ended on that date; and
  - (ii) complying with Accounting Standards – Reduced Disclosure Requirements and Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Mr. Ashutosh Damle  
Director  
Melbourne, 11 May 2020

## Statement of profit or loss and other comprehensive income for the year ended 31 March 2020

	Notes	2020 \$	2019 \$
<b>Continuing operations</b>			
Revenue	4	9,168	13,609
Amortisation expenses		-	(8,296)
Administration expenses		(41,915)	(47,125)
Finance cost		(207)	(1,748)
Loss before tax		(32,954)	(43,560)
Income tax expense		-	-
<b>Loss for the year</b>		<b>(32,954)</b>	<b>(43,560)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(32,954)</b>	<b>(43,560)</b>

The accompanying notes form part of these financial statements.

## Statement of financial position at 31 March 2020

	<u>Notes</u>	<u>2020</u> \$	<u>2019</u> \$
<b>Current assets</b>			
Cash and cash equivalents	9(a)	6,752	81,006
Other financial assets	5	409,859	45,474
Current tax asset		-	588
<b>Total current assets</b>		<b>416,611</b>	<b>127,068</b>
<b>Non-current assets</b>			
Intangible assets	6	-	-
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>416,611</b>	<b>127,068</b>
 <b>Current liabilities</b>			
Trade and other payables	7	331,519	9,022
<b>Total current liabilities</b>		<b>331,519</b>	<b>9,022</b>
<b>Total liabilities</b>		<b>331,519</b>	<b>9,022</b>
<b>Net assets</b>		<b>85,092</b>	<b>118,046</b>
 <b>Equity</b>			
Issued capital	8	800,000	800,000
Retained earnings		(714,908)	(681,954)
<b>Total equity</b>		<b>85,092</b>	<b>118,046</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 31 March 2020

	Issued capital \$	Retained Earnings \$	Total \$
Balance at 1 April 2018	800,000	(638,394)	161,606
Loss for the year	-	(43,560)	(43,560)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(43,560)	(43,560)
<b>Balance at 31 March 2019</b>	<b>800,000</b>	<b>(681,954)</b>	<b>118,046</b>
Loss for the year	-	(32,954)	(32,954)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(32,954)	(32,954)
<b>Balance at 31 March 2020</b>	<b>800,000</b>	<b>(714,908)</b>	<b>85,092</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 31 March 2020

	<u>Notes</u>	<u>2020</u> \$	<u>2019</u> \$
<b>Cash flows from operating activities</b>			
Receipts from customers		9,168	13,609
Payments to suppliers and employees		(383,215)	(47,216)
Interest paid		(207)	(1,748)
Net cash used in operating activities	9 (b)	<u>(374,254)</u>	<u>(35,355)</u>
<b>Cash flows from investing activities</b>			
Net cash provided by investing activities		-	-
<b>Cash flows from financing activities</b>			
Proceeds from related party loan		300,000	68,111
Net cash provided by financing activities		<u>300,000</u>	<u>68,111</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(74,254)	32,756
<b>Cash and cash equivalents at the beginning of the year</b>		<u>81,006</u>	<u>48,250</u>
<b>Cash and cash equivalents at the end of the year</b>	9(a)	<u>6,752</u>	<u>81,006</u>

The accompanying notes form part of these financial statements.

## 1. General information

Lupin Australia Pty Ltd is a proprietary company limited by shares, incorporated and operating in Australia. The parent entity of Lupin Australia Pty Ltd is Lupin Limited (incorporated and domiciled in India).

Lupin Australia Pty Ltd.'s registered office and principal place of business are as follows:  
Suite 2, Level 2, 19-23 Prospect Street, Boxhill, VIC

## 2. Adoption of new and revised Accounting Standards

### 2.1 Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for an accounting period that begins on or after 1 January 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are considered to have material impact to the company is:

- AASB 16 *Leases*

#### Impact of initial application of AASB 16 Leases

In the current year, the company has applied AASB 16 Leases (as issued by the AASBB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of AASB 16 is described below.

The date of initial application of AASB 16 for the company is 1 January 2019.

#### Impact of the new definition of a lease

The company has made use of the practical expedient available on transition to AASB 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with AASB 117 Leases and Interpretation 4 -Determining whether an Arrangement contains a Lease, will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease since whether the customer has the right to control the use of an identified asset for a period in exchange for consideration. This contrasts with the focus on 'risks and rewards' in AASB 117 and Interpretation 4.

The company applies the definition of a lease and related guidance set out in AASB 16 to all contracts entered or changed on or after 1 January 2019.

#### Former operating leases

AASB 16 changes how the company accounts for leases previously classified as operating leases under AASB 117, which were off balance sheet.

Applying AASB 16, for all leases (except as noted below), the company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

## 2. Adoption of new and revised Accounting Standards (cont'd)

### AASB 16 Leases (cont'd)

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones) the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

Based on the assessment performed, the company doesn't have any leases agreement to which the new standard will apply.

### 2.2 New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

<b>Standard/amendment</b>	<b>Effective for annual reporting periods beginning on or after</b>
<i>AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business</i>	1 January 2020
<i>AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material</i>	1 January 2020

### 3. Significant accounting policies

#### Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Reduced Disclosure Requirements, and comply with other requirements of the law.

The financial statements were authorised for issue by the directors on 11 May 2020.

#### Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, 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.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

#### Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described below, the directors are required to make judgments, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Intangible assets*

Useful lives of intangible assets are reviewed annually. Judgement is applied in determining the useful lives of intangible assets. Any reassessment of useful lives in a particular year will affect amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future years.

### 3. Significant accounting policies (cont'd)

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

**(a) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(b) Revenue**

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Interest revenue

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**(c) Income tax**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**(d) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments. 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.

**(e) Intangible assets**

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following useful lives are used in the calculation of amortisation:

Capitalised development      5 years

### 3. Significant accounting policies (cont'd)

(e) **Intangible assets (cont'd)**

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(f) **Impairment of tangible and intangible assets other than goodwill**

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

(f) **Impairment of tangible and intangible assets other than goodwill (cont'd)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) **Financial assets**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets are classified as loans and receivables and financial liabilities are classified as other financial liabilities.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost and of allocating interest income / (expense) over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### 3. Significant accounting policies (cont'd)

(g) **Financial assets (cont'd)**

Loans and receivables

Financial assets are initially measured at fair value net of transactions costs. Financial assets consisting trade receivables, loans and other receivables that have fixed or determinable payments are measured subsequently at amortised cost at the effective interest method, less any expected credit losses given that:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Lupin Australia Pty Ltd**  
Notes to the financial statements

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>4. Revenue</b>		
Royalty income	9,097	13,609
Other income	71	-
	9,168	13,609
<b>5. Other financial assets</b>		
Other debtors	29,154	6,194
Goods and service receivable	706	-
<b>Related party receivables:</b>		
Lupin Limited	368,212	39,280
Generic Health Pty Ltd	11,787	-
	409,859	45,474

During the year, the Company entered into the following trading transactions with related parties:

- Royalty income received from Generic Health Pty Ltd for amount of \$9,168
- Reimbursements claimed from Lupin Limited for an amount of \$368,212

**6. Intangible assets**

Product Development costs	460,000	460,000
Less: Accumulated amortisation	(460,000)	(460,000)
	-	-

These are amortised over a useful life of 5 years.

**7. Trade and other payables**

Trade payables	23,519	6,600
Goods and service tax payable	-	2,422
Other payables and accrued expenses	8,000	-
<b>Related party payable:</b>		
Generic Health Pty Ltd	300,000	-
	331,519	9,022

**8. Issued capital**

800,000 fully paid ordinary shares (2019: 800,000)	800,000	800,000
--	---------	---------

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

	<b>2020</b>	<b>2019</b>
	<u>\$</u>	<u>\$</u>

## 9. Cash and cash equivalents

### (a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and bank balances	6,752	81,006
------------------------	-------	--------

### (b) Reconciliation of loss for the year to net cash flows from operating activities

Loss for the year	(32,954)	(43,560)
Amortisation expense	-	8,296
	<u>(32,954)</u>	<u>(35,264)</u>

### Changes in net assets and liabilities:

(Increase)/increase in liabilities:

Other financial assets	(363,796)	-
------------------------	-----------	---

Increase/(decrease) in liabilities:

Trade and other payables	22,496	(91)
--------------------------	--------	------

Net cash used in operating activities	<u>(374,254)</u>	<u>(35,355)</u>
---------------------------------------	------------------	-----------------

## 10. Subsequent events

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity. The company considers this to be a non-adjusting post balance sheet event and the financial effects of COVID-19 has no material impacts to the company's financial statements at 31 March 2020.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

## 11. Financial Instruments

### Categories of financial instruments

The company holds the following financial instruments:

#### Financial assets – amortised cost

Cash and bank balances	6,752	81,006
Trade and other receivables	411,291	45,474
	<u>418,043</u>	<u>126,480</u>

#### Financial liabilities – amortised cost

Trade and other payables	32,950	9,022
	<u>32,950</u>	<u>9,022</u>

**12. Contingent liabilities**

There are no contingent liabilities as at the date of this report.

**Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 11 May 2020.