

PHYTOTHERAPIC SOLUTIONS S.L.
BALANCE SHEET AS AT 31STMARCH 2018

Particulars	Note No.	As at 31st Mar 2018 (Amount in Euro)	As at 31 March 2017 (Amount in Euro)
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	1.182	376
(b) Software Lisc Fees	4	-	35
(c) Loans	5	3.009	3.009
(d) Deferred tax assets (net)	6	83	83
Non-current assets		4.274	3.504
2 Current assets			
(a) Inventories	7	284.173	272.757
(b) Financial Assets			
(ii) Trade receivables	8	711.236	654.215
(iii) Cash and cash equivalents	9	306.780	159.941
(c) Other current assets	10	53.690	23.207
Current assets		1.355.878	1.110.119
Asset classified as held for sale		-	-
TOTAL ASSETS		1.360.153	1.113.623
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	11	30.000	30.000
(b) Other Equity	12		
Retained Earnings		141.398	193.401
Other Reserves		855.879	569.692
		1.027.277	793.092
3 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	-	17.197
		-	17.197
4 Current liabilities			
(a) Financial Liabilities			
(ii) Trade payables	14	210.607	165.347
(iii) Other financial liabilities	15	19.837	2.773
(b) Other current liabilities	16	24.666	56.924
(d) Current tax liabilities (Net)	17	77.766	78.291
		332.876	303.335
TOTAL EQUITY AND LIABILITIES		1.360.153	1.113.623

Significant Accounting Policies & Notes on Accounts

As per our report of event date
BOVÉ MONTERO Y ASOCIADOS
 Auditors & Consultants

Place : Barcelona, Spain
 Date : 19-05-2018



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Phytosolutions
 Phytotherapeutic Solutions, S.L.
 Rambla Guipúzcoa, 8 Sobrellano
 08018 Barcelona
 B-64423064

Eusebi Vila Viña
 Director

Ramon Vila Viña
 Director

PHYTOTHERAPIC SOLUTIONS S.L.
PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2018

	Particulars	Note No	Quarter ended 31st Mar 2018 (Amount in Euro)	YTD ended 31st Mar 2018 (Amount in Euro)	1 July 2016 to 31 March 2017 (Amount in Euro)
(I)	Revenue From Operations	18	555.959	2.363.761	1.369.887
(II)	Other Income	19	1.237	4.699	6.776
(III)	Total Income (I+ II)		557.196	2.368.460	1.376.663
(IV)	EXPENSES				
	Cost of materials consumed	20	306.849	1.369.207	802.423
	Purchases of stock-in-trade	21	-	-	-
	Changes in inventories of finished goods and work-in-progress & intermediates	22	56.201	57.473	15.955
	Employee benefits expense	23	26.016	104.739	75.914
	Finance costs	24	3.703	8.319	6.485
	Depreciation and amortization expense	25	86	309	533
	Other expenses	26	85.867	356.276	228.346
	Total expenses (IV)		478.722	1.896.323	1.129.656
V	Profit before tax (I- IV)		78.474	472.136	247.008
(VI)	Exceptional items Profit/(Loss)	27	-	-	230
(VII)	Profit before tax (V-VI)		78.474	472.136	246.778
(VIII)	Tax expense:	28			
	(1) Current tax		19.598	117.952	53.378
(IX)	Profit (Loss) for the period (VII-VIII)		58.876	354.185	193.401
(X)	Other Comprehensive Income				
(A)	(i) Items that will not be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
(B)	Items that will be reclassified to profit or loss	-	-	-	-
	Re-measurement gain/(losses) on defined benefits plans	-	-	-	-
	Income tax effect	-	-	-	-
	Net (loss)/gain on FVTOCI equity securities	-	-	-	-
	Income tax effect	-	-	-	-
	Other comprehensive income for the year, net of taxes	-	-	-	-
(XI)	Total Comprehensive Income for the period (IX + X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		58.876	354.185	193.401
(XII)	Earnings per equity share:				
	(1) Basic				
	(2) Diluted				

As per our report of event date
BOYÉ MONTERO Y ASOCIADOS
 Auditors & Consultants

Place: Barcelona, Spain
 Date: 17-05-2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Phytosolutions

Phytotherapic Solutions, S.L.
 Rambla Guipúzcoa, 8 Sotresalud, 11a Viña
 08018 Barcelona
 B-64423064

[Handwritten signature]
 Director

[Handwritten signature]
 Director

PHYTOTHERAPIC SOLUTIONS S.L.

Notes to accounts

Note no	Particulars	As at 31st Mar 2018 (Amount in Euro)	As at 31 March 2017 (Amount in Euro)
Note 3	Property, plant and equipment		
	Computers	1.148	318
	Plant and machinery	35	58
		<u>1.182</u>	<u>376</u>
Note 4	Intangible assets		
	Software Lisc Fees	-	35
		<u>-</u>	<u>35</u>
Note 5	Financial assets - Long term loans and advances		
	Security Deposits	3.009	3.009
		<u>3.009</u>	<u>3.009</u>



Note 6	Deferred tax assets (net)		
	Others	83	83
		<u>83</u>	<u>83</u>
Note 7	Inventories		
	(At lower of cost and net realisable value)		
	Raw materials and packing materials	216.143	147.254
		<u>216.143</u>	<u>147.254</u>
	Work-in-progress and intermediates	61.678	103.338
	Finished goods	6.352	22.165
		<u>6.352</u>	<u>22.165</u>
		<u>284.173</u>	<u>272.757</u>
	Financial Assets		
Note 8	Trade receivables		
	Aggregate amount of Trade and Other Receivables outstanding for a period exceeding six months from the date they are due for payment should be separately stated.		
	(a) Unsecured, considered good	711.236	654.215
	(b) Unsecured, considered doubtful	-	-
		<u>711.236</u>	<u>654.215</u>
	Less: Provision for doubtful debts	-	-
		<u>711.236</u>	<u>654.215</u>
		<u>711.236</u>	<u>654.215</u>
Note 9	Cash and cash equivalents		
	Cash on hand	163	30
	Balances with banks		
	- In current accounts	306.617	159.911
		<u>306.780</u>	<u>159.941</u>

Note 10	Other current assets		
	Advance to supplier	28.679	-
	Balances with government authorities	24.667	22.870
	Prepaid expenses	344	337
		<u>53.690</u>	<u>23.207</u>
Note 11	Share capital		
	Equity share capital	30.000	30.000
		<u>30.000</u>	<u>30.000</u>
Note 12	a) Retained Earnings	193.401	
	Add: Loss for the year	354.185	193.401
	Less : transfer to reserves	(406.187)	
		<u>141.398</u>	<u>193.401</u>
	b) Reserves		
	General reserve	91.856	558.179
	Legal Reserve	6.000	
	Voluntary reserves	726.624	
	Capital reserve	31.399	11.512
		<u>855.879</u>	<u>569.692</u>
	Other Equity (Total)	<u>997.277</u>	<u>763.092</u>
Note 13	Non-current liabilities - Financial Liabilities - Long term borrowings		
	From Related parties	-	17.197
		<u>-</u>	<u>17.197</u>

Note 14	Current - Financial liabilities		
	Trade payable	191.922	147.588
	Trade payable - Related Parties	18.686	17.759
		<u>210.607</u>	<u>165.347</u>
Note 15	Current - Other financial liabilities		
	Other current liabilities	19.837	2.773
		<u>19.837</u>	<u>2.773</u>
Note 16	Other Current Liabilities		
	Other payables		
	(i) Statutory remittances	7.472	6.111
	(iii) Due from related party	17.194	50.813
		<u>24.666</u>	<u>56.924</u>
Note 17	Current tax liabilities (Net)		
	Provision for taxation	77.766	78.291
		<u>77.766</u>	<u>78.291</u>

PHYTOTHERAPIC SOLUTIONS S.L.
Notes to accounts

Note no	Particulars	Quarter ended 31 Mar 2018 (Amount in Euro)	YTD ended 31 Mar 2018 (Amount in Euro)	1 July 2016 to 31 March 2017 (Amount in Euro)
Note 18	Revenue from operations			
	a) Sale of products	555.959	2.363.761	1.369.887
		555.959	2.363.761	1.369.887
Note 19	Other Income			
	Interest income	-	16	-
	Other non-operating income	1.237	4.683	6.776
		1.237	4.699	6.776
Note 20	Cost of materials consumed			
	Opening stock	210.947	147.254	92.841
	Add: Purchases	312.045	1.438.096	856.836
	Less: Closing stock	216.143	216.143	147.254
		306.849	1.369.207	802.423
Note 21	Purchases of stock-in-trade			
	Purchases of stock-in-trade			-
				-
Note 22	Changes in inventories of finished goods and work-in-progress & intermediates			
	Opening stock			
	Work-in-progress and intermediates	106.802	103.338	66.291
	Finished goods	17.429	22.165	75.167
		124.231	125.503	141.458
	Consolidation Adjustment			
	Work-in-progress and intermediates			-
	Finished goods			-
				-
	Closing stock			
	Work-in-progress and intermediates	61.678	61.678	103.338
	Finished goods	6.352	6.352	22.165
		68.030	68.030	125.503
	Net (increase) / decrease	56.201	57.473	15.955
Note 23	Employee benefits expense			
	Salaries and wages	20.309	81.792	59.236
	Contribution to provident and other funds	5.707	22.821	16.142
	Staff welfare expenses	-	126	536
		26.016	104.739	75.914
Note 24	Finance costs			
	Interest expense	278	1.233	1.562
	Other borrowing costs	3.425	7.086	4.885
	Other finance expenses	-	-	38
		3.703	8.319	6.485

Note 25	Depreciation and amortization expense			
	Tangible assets	68	274	249
	Intangible assets	17	35	284
		86	309	533
Note 26	Other expenses			
	Travel expenses	4	335	121
	Communication expenses	2.789	7.474	3.914
	Contract labour charges	30.995	116.820	73.793
	Legal and Professional charges	6.774	29.805	17.264
	Rent	1.208	4.822	3.600
	Analytical charges	13.635	47.767	16.887
	Repairs to machinery	119	119	-
	Insurance	551	2.227	779
	Advertisement and selling expenses	19.102	76.668	46.840
	Marketing Expenses	4.038	41.460	51.359
	Rates and taxes	312	1.270	980
	Bad loans and advances written off	-	5	815
	Bad trade receivables written off	-	-	(14.356)
	Net loss on foreign currency transactions and translation	35	(2.388)	(1.346)
	Other expenses	6.304	29.891	27.697
		85.867	356.276	228.346
Note 27	Exceptional items			
	Others	-	-	230
		-	-	230
Note 28	Tax expense			
	Current tax	19.598	117.952	53.378
		19.598	117.952	53.378

PHYTOTHERAPIC SOLUTIONS S.L.
Notes forming part of the financial statements

Note

1 Legal status and principal activities

Phytherapeutic Solutions S.L. ("The Company") incorporated in 2006 is a company specialized in the development, manufacture and marketing of animal nutrition additives from essential oils , plant extracts and organic acids, using modern manufacturing processes that allow us to obtain the highest quality products. The corporate office is located in Caldes de Montbui. Barcelona (Spain).

2 Significant accounting policies

2,1 Basis of accounting and preparation of financial statements

The Financial Statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at revalued amounts.

The financial statements of Phytherapeutic Solutions S.L. ('the Company') have been prepared, in accordance with Spanish accounting standards. The Financial Statements have been prepared on accrual basis.

Effective 1 June 2016, Alivira Animal Health Limited, Ireland (step down subsidiary of Sequent Scientific Limited) acquired stake of 60% in Vila Vina Participacions SL which is the holding company of Laboratorios Karizoo SA.

The financial statements are prepared for the period 1 April 2017 to 31 March 2018 for the purpose of consolidation with its ultimate holding Company 'Sequent Scientific Limited'

2,2 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprise its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than the subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets to the date the asset is ready for its intended use. Exchange differences arising on restatement/ settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2,3 Depreciation

Depreciation is provided under the straight-line method based on the useful lives:

Nature of Asset	Useful life in periods (range)
Buildings	10 - 75
Plant and Machinery	2 -25
Technical Facilities	10 - 30
Technical Installations	2 - 15
Office Equipment	3 - 10
Vehicles	2 - 8
Furniture and Fixtures	5 - 15

2,4 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial period even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten periods from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In

2,5 Inventory

Inventories comprises of raw materials and finished goods. These are valued at the lower of cost and net realizable value. Cost is determined on First in First out basis for finished goods - 'At material cost, conversion costs and an appropriate share of production overheads.

2,6 Revenue recognition

Revenue from export sales is recognized on the basis of the shipping bills for exports. Revenue from domestic sales is recognized based on the passage of title to goods which generally coincides with dispatch. Sales include excise duty and are stated net of discounts, other taxes, and sales returns.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on an accrual basis.

2,7 Taxes on income

Income Tax comprises the current tax provision. Current tax is the amount of tax payable on the taxable income for the period.

2,8 Earnings per share (EPS)

In determining the Earnings per share, the Company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the period. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

