

**PHYTOTHERAPIC SOLUTIONS S.L.**  
**BALANCE SHEET AS AT 31ST MARCH 2019**

Particulars	Note No.	As at 31st Mar 2019 (Amount in Euro)	As at 31st Mar 2018 (Amount in Euro)
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	822	1,182
(b) Financial Assets			
(i) Loans	4	3,009	3,009
(ii) Deferred tax assets (net)	5	55	83
<b>Total Non-current assets</b>		<b>3,884</b>	<b>4,274</b>
<b>2 Current assets</b>			
(a) Inventories	6	462,193	284,173
(b) Financial Assets			
(i) Trade receivables	7	569,581	711,236
(ii) Cash and cash equivalents	8	578,634	306,780
(c) Other current assets	9	96,768	53,690
<b>Total Current assets</b>		<b>1,707,176</b>	<b>1,355,879</b>
<b>TOTAL ASSETS</b>		<b>1,711,060</b>	<b>1,360,153</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	10	30,000	30,000
(b) Other Equity	11	1,218,746	997,277
<b>Total Equity</b>		<b>1,248,746</b>	<b>1,027,277</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	12	311,275	210,607
(ii) Other financial liabilities	13	37,531	19,837
(b) Other current liabilities	14	61,029	24,666
(c) Current tax liabilities (Net)	15	52,479	77,766
<b>Total Current Liabilities</b>		<b>462,314</b>	<b>332,876</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,711,060</b>	<b>1,360,153</b>
Significant Accounting Policies & Notes on Accounts	2		

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



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



*[Handwritten Signature]*  
 Director

**PHYTOTHERAPIC SOLUTIONS S.L.  
PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars	Note No	Year ended FY 18-19 (Amount in Euro)	Year ended 31st Mar 2018 (Amount in Euro)
(I) Revenue From Operations	16	2,397,107	2,363,761
(II) Other Income	17	3,915	4,699
(III) <b>Total Income (I+ II)</b>		<b>2,401,022</b>	<b>2,368,460</b>
(IV) EXPENSES			
Cost of materials consumed	18	1,672,739	1,369,207
Changes in inventories of finished goods and work-in-progress & intermediates	19	(147,741)	57,473
Employee benefits expense	20	110,084	104,739
Finance costs	21	6,259	8,319
Depreciation and amortization expense	22	361	309
Other expenses	(b)	377,773	356,276
<b>Total expenses (IV)</b>		<b>2,019,475</b>	<b>1,896,323</b>
(V) Profit before tax (III- IV)		<b>381,547</b>	<b>472,136</b>
(VI) Tax expense:	24		
(1) Current tax		90,050	117,952
(2) Deferred tax		28	-
(VII) Profit (Loss) for the period (V-VI)		<b>291,470</b>	<b>354,185</b>
(VIII) Earnings per equity share:	25		
(1) Basic		97.16	118.06
(2) Diluted		97.16	118.06

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

Place: Barcelona, Spain  
Date: 05/05/19

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



PHYTOTHERAPIC  
SOLUTIONS, S.L.  
NIF: B-64423064

Director

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

**Note**

**1 Legal status and principal activities**

Phytotherapeutic 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 Phytotherapeutic Solutions S.L. ('the Company') have been prepared, in accordance with 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 Phytotherapeutic Solutions S.L.

The financial statements are prepared for the period 1 April 2018 to 31 March 2019 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:

<b>Nature of Asset</b>	<b>Useful life in periods (range)</b>
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.



## **2.9 Provisions and contingencies**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized but are disclosed in the notes to financial statements.

## **2.10 Segment**

Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system.

## **2.11 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

## **2.12 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

## **2.13 Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **2.14 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**PHYTOTHERAPIC SOLUTIONS S.L.**

Notes to accounts

Note no	Particulars	As at 31st Mar 2019 (Amount in Euro)	As at 31st Mar 2018 (Amount in Euro)
<b>3</b>	<b>Property, plant and equipment</b>		
	Computers	810	1,148
	Plant and machinery	12	35
		<u>822</u>	<u>1,182</u>
<b>4</b>	<b>Other Non-Current Financial Assets</b>		
	Security Deposits	3,009	3,009
		<u>3,009</u>	<u>3,009</u>
<b>5</b>	<b>Deferred tax assets (net)</b>		
	Others	55	83
		<u>55</u>	<u>83</u>
<b>6</b>	<b>Inventories</b> (At lower of cost and net realisable value)		
	Raw materials and packing materials	246,421	216,143
		<u>246,421</u>	<u>216,143</u>
	Work-in-progress and intermediates	71,220	61,678
	Finished goods	144,552	6,352
		<u>144,552</u>	<u>6,352</u>
		<u>462,193</u>	<u>284,173</u>
<b>7</b>	<b>Trade receivables</b>		
	(a) Unsecured, considered good	569,581	711,236
	(b) Unsecured, considered doubtful	10,395	-
		<u>579,976</u>	<u>711,236</u>
	Less: Provision for doubtful debts	-10,395	-
		<u>569,581</u>	<u>711,236</u>
<b>8</b>	<b>Cash and cash equivalents</b>		
	Cash on hand	204	163
	Balances with banks		
	- In current accounts	578,430	306,617
		<u>578,634</u>	<u>306,780</u>
<b>9</b>	<b>Other current assets</b>		
	Advance to supplier	41,434	28,679
	Balances with government authorities	54,984	24,667
	Prepaid expenses	351	344
		<u>96,768</u>	<u>53,690</u>

**PHYTOTHERAPIC SOLUTIONS S.L.****Notes to accounts**

<b>Note no</b>	<b>Particulars</b>	<b>As at 31st Mar 2019 (Amount in Euro)</b>	<b>As at 31st Mar 2018 (Amount in Euro)</b>
<b>12</b>	<b>Trade payable</b>		
	Trade payable	311,275	210,607
		<u>311,275</u>	<u>210,607</u>
<b>13</b>	<b>Other Current Financial Liabilities</b>		
	Unclaimed dividends	5,000	-
	Other current liabilities	32,531	19,837
		<u>37,531</u>	<u>19,837</u>
<b>14</b>	<b>Other Current Liabilities</b>		
	(i) Statutory remittances	8,082	7,472
	(ii) Advances from customers	52,947	-
	(iii) Due from related party	-	17,194
		<u>61,029</u>	<u>24,666</u>
<b>15</b>	<b>Current tax liabilities (Net)</b>		
	Provision for taxation	52,479	77,766
		<u>52,479</u>	<u>77,766</u>

**CIAL VILA VETERINARIA DE LLEIDA SL**  
Notes to accounts

	As at 31st Mar 2019 (Amount in Euro)	As at 31st Mar 2018 (Amount in Euro)
<b>10 Share capital</b>		
<b>(a) Authorised Share Capital</b>		
3000 share of Euro 10 each	30,000	30,000
<b>(a) Issued Share Capital</b>		
3000 share of Euro 10 each	30,000	30,000
	<b>30,000</b>	<b>30,000</b>

Notes :

(i) Reconciliation of the number of shares and amount outstanding at the beginning and end of the reporting period

	As at 31st Mar 2019		As at 31st Mar 2018	
	No. of Shares	Amount	No. of Shares	Amount
No. Equity shares	3,000	30,000	3,000	30,000
Add : Shares issued during the period	-	-	-	-
Shares outstanding at the end of the period	<b>3,000</b>	<b>30,000</b>	<b>3,000</b>	<b>30,000</b>

(ii) Terms / Rights attached to Equity Shares

In the Event of liquidation of the company, the shareholders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of the all preferential amounts, if any. The distribution will be in the proportion to the number of equity shares held by the share holders

(iii) Details of Shares held by each share holder holding more than 5% shares

<u>Name of Share Holders</u>	<u>No. of Shares</u>	<u>% holding</u>	<u>No. of Shares</u>	<u>% holding</u>
VILA VIÑA PARTICIPACIONES S.L.	3,000	100%	3,000	100%

	As at 31st Mar 2019	As at 31st Mar 2018
<b>11 Other Equity</b>		
<b>a) Retained Earnings</b>		
427,585	427,585	193,401
Add: Profit / (Loss) for the year	291,470	354,185
Less: Dividend	(70,000)	(120,000)
	<b>649,055</b>	<b>427,585</b>
<b>b) Reserves</b>		
General reserve	558,179	558,179
Capital reserve	11,512	11,512
	<b>569,692</b>	<b>569,692</b>
<b>Total Other Equity</b>	<b>1,218,746</b>	<b>997,277</b>



**PHYTOTHERAPIC SOLUTIONS S.L.**
**Notes to accounts**

Note no	Particulars	Year ended 31 Mar 2019 (Amount in Euro)	Year ended 31 Mar 2018 (Amount in Euro)
<b>16</b>	<b>Revenue from operations</b>		
	Sale of products	2,397,107	2,363,761
		<u>2,397,107</u>	<u>2,363,761</u>
<b>17</b>	<b>Other Income</b>		
	Interest income	-	16
	Other non-operating income	3,915	4,683
		<u>3,915</u>	<u>4,699</u>
<b>18</b>	<b>Cost of materials consumed</b>		
	Opening stock	216,143	147,254
	Add: Purchases	1,703,017	1,438,096
	Less: Closing stock	246,421	216,143
		<u>1,672,739</u>	<u>1,369,207</u>
<b>19</b>	<b>Changes in inventories of finished goods and work-in-progress &amp; intermediates</b>		
	Opening stock		
	Work-in-progress and intermediates	61,678	103,338
	Finished goods	6,352	22,165
		<u>68,030</u>	<u>125,503</u>
	Closing stock		
	Work-in-progress and intermediates	71,220	61,678
	Finished goods	144,552	6,352
		<u>215,771</u>	<u>68,030</u>
	<b>Net (increase) / decrease</b>	<u>(147,741)</u>	<u>57,473</u>
<b>20</b>	<b>Employee benefits expense</b>		
	Salaries and wages	85,478	81,792
	Contribution to provident and other funds	24,462	22,821
	Staff welfare expenses	144	126
		<u>110,084</u>	<u>104,739</u>
<b>21</b>	<b>Finance costs</b>		
	Interest expense	484	1,233
	Other borrowing costs	5,775	7,086
		<u>6,259</u>	<u>8,319</u>
<b>22</b>	<b>Depreciation and amortization expense</b>		
	Tangible assets	361	274
	Intangible assets	-	35
		<u>361</u>	<u>309</u>
<b>23</b>	<b>Other expenses</b>		
	Travel expenses	35	335
	Communication expenses	5,293	7,474
	Contract labour charges	113,634	116,820
	Legal and Professional charges	31,683	29,805
	Rent	4,889	4,822
	Analytical charges	49,343	47,767
	Repairs to machinery	54	119
	Insurance	2,146	2,227
	Advertisement and selling expenses	64,298	76,668
	Marketing Expenses	62,802	41,460
	Rates and taxes	1,473	1,270
	Bad loans and advances written off	-	5
	Bad trade receivables written off	10,395	-
	Net loss on foreign currency transactions and translation	2,947	(2,388)
	Other expenses	28,780	29,891
		<u>377,773</u>	<u>356,276</u>
<b>24</b>	<b>Tax expense</b>		
	Current tax	90,050	117,952
	Deferred tax	28	-
		<u>90,077</u>	<u>117,952</u>

**PHYTOTHERAPIC SOLUTIONS S.L.**  
Notes to accounts

Note no	Particulars	Year ended 31 Mar 2019 (Amount in Euro)	Year ended 31 Mar 2018 (Amount in Euro)
25	<b>Earning per Share</b>		
	Issued No of Equity shares	3,000	3,000
	Profit (Loss) for the year	291,470	354,185
	Basic Earning Per share	97.16	118.06
	Diluted Earning Per share	97.16	118.06
26	<b>Segment Information</b>		
	Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system.		
	<b>Primary Segment : Business Segment</b>		
	The Company through its subsidiaries is primarily engaged in the business of manufacturing, trading and marketing of Pharmaceutical products. Considering the nature of the business and the financial reporting of the company, the company has only one business segment as the primary reportable segment.		
		Year ended 31 Mar 2019 (Amount in Euro)	Year ended 31 Mar 2018 (Amount in Euro)
I	<b>Revenue From Operations</b>		
	Asia	681,921	1,358,317
	Europe	1,378,136	902,285
	Rest of the World	337,050	103,158
	<b>Grand Total</b>	<b>2,397,107</b>	<b>2,363,761</b>
II	<b>Total Assets</b>		
	Asia	237,585	557,181
	Europe	1,288,835	744,306
	Rest of the World	181,578	55,574
	<b>Total Segment Assets</b>	<b>1,707,998</b>	<b>1,357,061</b>
	Unallocated	3,064	3,092
	<b>Total</b>	<b>1,711,063</b>	<b>1,360,153</b>
III	<b>Cost incurred during the Year to acquire Segment Assets</b>		
	Europe	-	-