

LABORATORIOS KARIZOO, S.A.
BALANCE SHEET AS AT 31 MARCH 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	2.658.512	2.806.356
(b) Capital work in progress	4	1.339.062	3.326
(c) Investment Property			
(d) Software Lic Fees	5	3.631	4.610
(e) Financial Assets			
(i) Investments	6	244.167	247.992
(ii) Loans	7	849.535	49.629
(f) Deferred tax assets (net)	8	0	76.154
(g) Other non-current assets	9	-	4.641
Non-current assets		5.094.907	3.192.708
2 Current assets			
(a) Inventories	10	5.085.500	3.535.973
(b) Financial Assets			
(i) Trade receivables	11	7.395.299	5.611.998
(ii) Cash and cash equivalents	12	746.803	2.129.159
(iii) Loans	13	23.388	21.677
(iv) Others	14	5.870	-
(c) Other current assets	15	197.031	304.446
Current assets		13.453.890	11.603.252
Asset classified as held for sale		-	-
TOTAL ASSETS		18.548.797	14.795.960
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	16	356.742	356.742
(b) Other Equity	17		
Securities Premium Reserve		228.598	228.598
Retained Earnings		1.871.473	1.394.679
Other Reserves		2.926.898	2.087.634
Money received against share warrants		-	-
		5.383.711	4.067.652
3 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1.364.247	1.803.324
(ii) Other financial liabilities	19	760.059	160.488
(iii) Deferred tax Liability (net)	20	26.247	-
		2.150.553	1.963.812
4 Current liabilities			
(a) Financial Liabilities			
(i) Short-term borrowings	21	2.836.852	2.597.104
(ii) Trade payables	22	5.635.829	4.218.892
(iii) Other financial liabilities	23	2.194.268	1.680.307
(b) Other current liabilities	24	216.714	184.005
(d) Current tax liabilities (Net)	25	130.872	84.188
		11.014.534	8.764.496
TOTAL EQUITY AND LIABILITIES		18.548.797	14.795.960

Significant Accounting Policies & Notes on Accounts

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

Place : Barcelona, Spain
Date : 17.05.2018

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Josebi Vila Viña
Director

Ramon Vila Viña
Director



KARIZOO

LABORATORIOS KARIZOO, S.A.
N.I.F. A08818502

LABORATORIOS KARIZOO, S.A.
PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2018

	Particulars	Note No	Quarter ended	YTD ended	1 July 2016 to
			31 Mar 2018	31 Mar 2018	31 March 2017
			(Amount in Euro)	(Amount in Euro)	(Amount in Euro)
(I)	Revenue From Operations	26	7.979.067	31.937.988	19.895.064
(II)	Other Income	27	46.337	132.383	155.859
(III)	Total Income (I+ II)		8.025.404	32.070.371	20.050.924
(IV)	EXPENSES				
	Cost of materials consumed	28	6.811.461	23.175.928	14.154.014
	Purchases of stock-in-trade	29	-	-	-
	Changes in inventories of finished goods and work-in-progress & intermediates	30	(1.024.559)	(631.080)	(303.942)
	Employee benefits expense	31	770.587	2.947.686	1.964.318
	Finance costs	32	38.006	151.765	99.790
	Depreciation and amortization expense	33	61.088	259.554	351.579
	Other expenses	34	1.019.726	3.713.690	2.010.266
	Total expenses (IV)		7.676.308	29.617.542	18.276.025
V	Profit before tax (I- IV)		349.096	2.452.829	1.774.899
(VI)	Exceptional items Profit/(Loss)	35	-	-	-
(VII)	Profit before tax (V-VI)		349.096	2.452.829	1.774.899
(VIII)	Tax expense:	36			
	(1) Current tax		(23.053)	434.371	256.006
	(2) Deferred tax		7.569	102.399	124.212
(IX)	Profit (Loss) for the period (VII-VIII)		364.580	1.916.059	1.394.681
(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)		364.580	1.916.059	1.394.681
(XII)	Earnings per equity share:				
	(1) Basic				
	(2) Diluted				

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

Place: Barcelona, Spain

Date:

19.05.2018

08006 BARCELONA
N.I.F. B-08.639.734

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



KARIZOO

Eusebi Vila Viña
Director

Ramon Vila Viña
Director

LABORATORIOS KARIZOO, S.A.
NIF: A08818502

LABORATORIOS KARIZOO, S.A.
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		
	Freehold land	176.014	176.014
	Factory Building	532.926	553.265
	Office building	59.143	58.229
	Furniture and fixtures	77.525	83.696
	Technical Installation	630.902	701.974
	Computers	27.026	24.775
	Plant and machinery	985.009	982.302
	Vehicles	169.967	226.100
		2.658.512	2.806.356
Note 4	Capital work in progress	1.339.062	3.326
		1.339.062	3.326
Note 5	Intangible assets		
	Software Lisc Fees	3.631	4.610
		3.631	4.610
	Financial assets		
Note 6	Non-current Investments		
	Investments in equity instruments - Subsidiaries	236.837	236.837
	Investments in equity instruments - Others	7.330	11.155
		244.167	247.992
Note 7	Financial assets - Long term loans and advances		
	Security Deposits	49.629	49.629
	Loans to Related Parties	799.906	-
	They shall also be separately sub-classified as:	849.535	49.629
	(a) Secured, considered good;		
	(b) Unsecured, considered good;		
	(c) Doubtful.		
	Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately		
Note 8	Deferred tax assets (net)		
	Others	0	76.154
		0	76.154
Note 9	Other non-current assets		
	Unsecured, considered good		
	Prepaid expenses	-	4.641
		-	4.641

Note 10	Inventories (At lower of cost and net realisable value)		
	Raw materials and packing materials	1.981.050	1.062.602
		<u>1.981.050</u>	<u>1.062.602</u>
	Work-in-progress and intermediates	121.313	122.672
	Finished goods	2.983.137	2.350.698
		<u>2.983.137</u>	<u>2.350.698</u>
	Fuel		-
		<u>5.085.500</u>	<u>3.535.973</u>
	Financial Assets		
Note 11	Trade receivables		
	Aggregate amount of Trade and Other Receivables outstanding for		
	(a) Unsecured, considered good	7.395.299	5.611.998
	(b) Unsecured, considered doubtful	95.806	69.570
		<u>7.491.105</u>	<u>5.681.568</u>
	Less: Provision for doubtful debts	(95.806)	(69.570)
		<u>7.395.299</u>	<u>5.611.998</u>
		<u>7.395.299</u>	<u>5.611.998</u>
Note 12	Cash and cash equivalents		
	Cash on hand	143	746
	Balances with banks		-
	- In current accounts	712.477	1.913.250
	In earmarked accounts		-
	- Margin money deposits	34.183	215.163
		<u>746.803</u>	<u>2.129.159</u>
Note 13	Loans		
	(b) Unsecured, considered good;		
	Advances to employees	3.388	1.677
	Loans & Advances to related parties	20.000	20.000
		<u>23.388</u>	<u>21.677</u>
Note 14	Other current financial assets		
	Interest on Related Party Loans	5.870	-
		<u>5.870</u>	<u>-</u>
Note 15	Other current assets		
	Advance to supplier	591	220.115
	Balances with government authorities	145.189	26.531
	Prepaid expenses	51.250	57.800
		<u>197.031</u>	<u>304.446</u>
Note 16	Share capital		
	Equity share capital	356.742	356.742
		<u>356.742</u>	<u>356.742</u>

Note 17	a) Retained Earnings	1.394.679	
	Add: Profit for the year	1.916.059	1.394.679
	Less : transfer to General reserves	(1.396.509)	
	Less : transfer to Voluntary reserves	(42.755)	
		<u>1.871.473</u>	<u>1.394.679</u>
	b) Reserves		
	ii) Other Reserves		
	Securities premium reserve	228.598	228.598
	General reserve	2.837.233	2.040.724
	Voluntary reserves	89.665	46.910
		<u>3.155.496</u>	<u>2.316.231</u>
	Other Equity (Total)	<u>5.026.969</u>	<u>3.710.910</u>
	<u>General reserve</u>		
	Opening General reserve as on 01.04.2017	2.040.724	2.040.724
	Add : transfer from retained earnings	1.396.509	
	Ajd: Dividend to VVP	(600.000)	
	Closing General Reserve	<u>2.837.233</u>	<u>2.040.724</u>
	<u>Voluntary reserves</u>		
	Opening Voluntary Reserve as on 01.04.2017	46.910	46.910
	Add : transfer from retained earnings	42.755	
	Closing Voluntary Reserve	<u>89.665</u>	<u>46.910</u>
Note 18	Non-current liabilities - Financial Liabilities - Long term borrowings		
	From banks		
	Secured	136.563	172.183
	Unsecured	1.030.504	1.350.235
	From Related parties		
	From other parties		
	Secured	-	-
	Unsecured	197.180	280.907
	*Borrowings shall further be sub-classified as secured and unse	-	
		<u>1.364.247</u>	<u>1.803.324</u>
Note 19	Non-current liabilities - Other financial liabilities		
	Deferred income	-	-
	Finance lease obligation	760.059	160.488
		<u>760.059</u>	<u>160.488</u>
Note 20	Non-Current Liabilities - Deferred tax Liability		
	Deferred tax Liability (net) Others	26.247	-
		<u>26.247</u>	<u>-</u>

Note 21	Current Liabilities- Financial Liabilities - Short term borrowings		
	(a) Loans repayable on demand		
	From banks		
	1. Secured	-	-
	2. Unsecured	2,836,852	2,597,104
		<u>2,836,852</u>	<u>2,597,104</u>
Note 22	Current - Financial liabilities		
	Trade payable	5,592,351	4,209,822
	Trade payable - Related Parties	43,477	9,070
		<u>5,635,829</u>	<u>4,218,892</u>
Note 23	Current - Other financial liabilities		
	Current maturities of long-term debt	420,652	504,596
	Interest accrued and due on borrowings	2,951	-
	Payables on purchase of fixed assets	141,766	133,088
	Other current liabilities	1,628,898	1,042,623
		<u>2,194,268</u>	<u>1,680,307</u>
Note 24	Other Current Liabilities		
	Other payables		
	(i) Statutory remittances	192,191	133,871
	(ii) Advances from customers	24,522	50,135
		<u>216,714</u>	<u>184,005</u>
Note 25	Current tax liabilities (Net)		
	Provision for taxation	130,872	84,188
		<u>130,872</u>	<u>84,188</u>

LABORATORIOS KARIZOO, S.A.
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 26	Revenue from operations			
	a) Sale of products	7.942.541	31.776.937	19.688.073
	b) Sale of services	29.263	127.447	42.784
	c) Other operating revenues	-	-	-
	Others	7.263	33.603	164.208
		<u>7.979.067</u>	<u>31.937.988</u>	<u>19.895.064</u>
Note 27	Other Income			
	Interest income	4.586	19.139	993
	Dividend Income	69	299	124
	Other non-operating income	7.532	14.952	114.010
	Fair value gain on financial instruments at fair value through profit or loss	-	1.299	69
	Net gain on foreign currency transactions and translation	34.151	96.694	40.664
		<u>46.337</u>	<u>132.383</u>	<u>155.859</u>
Note 28	Cost of materials consumed			
	Opening stock	1.559.209	1.062.602	795.266
	Add: Purchases	7.233.301	24.094.376	14.421.350
	Less: Closing stock	1.981.050	1.981.050	1.062.602
		<u>6.811.461</u>	<u>23.175.928</u>	<u>14.154.014</u>
Note 29	Purchases of stock-in-trade			
	Purchases of stock-in-trade	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
Note 30	Changes in inventories of finished goods and work-in-progress & intermediates			
	Opening stock			
	Work-in-progress and intermediates	55.814	122.672	87.202
	Finished goods	2.024.077	2.350.698	2.082.228
		<u>2.079.891</u>	<u>2.473.371</u>	<u>2.169.430</u>
	Closing stock			
	Work-in-progress and intermediates	121.313	121.313	122.672
	Finished goods	2.983.137	2.983.137	2.350.698
		<u>3.104.450</u>	<u>3.104.450</u>	<u>2.473.371</u>
	Net (increase) / decrease	<u>(1.024.559)</u>	<u>(631.079)</u>	<u>(303.941)</u>
Note 31	Employee benefits expense			
	Salaries and wages	601.446	2.287.245	1.534.307
	Contribution to provident and other funds	165.528	631.437	413.230
	Staff welfare expenses	3.613	29.004	16.781
		<u>770.587</u>	<u>2.947.686</u>	<u>1.964.318</u>
Note 32	Finance costs			
	Interest expense	26.212	116.585	74.636
	Other borrowing costs	11.794	35.180	25.155
		<u>38.006</u>	<u>151.765</u>	<u>99.790</u>
Note 33	Depreciation and amortization expense			
	Tangible assets	59.094	235.713	332.625
	Intangible assets	1.994	23.841	18.955
		<u>61.088</u>	<u>259.554</u>	<u>351.579</u>

Note 34	Other expenses			
	Travel expenses	26.797	129.955	71.200
	Communication expenses	13.249	38.240	20.884
	Contract labour charges	9.825	44.259	15.738
	Legal and Professional charges	255.507	940.674	490.589
	Freight and forwarding	162.069	675.867	382.925
	Power and fuel	42.269	170.348	115.071
	Rent	98.692	281.846	155.364
	Analytical charges	7.434	28.411	15.185
	Repairs to machinery	54.042	207.857	164.643
	Repairs to others	29.664	114.330	70.485
	Insurance	27.455	100.592	77.336
	Advertisement and selling expenses	5.220	8.601	4.940
	Marketing Expenses	95.762	405.809	270.938
	Rates and taxes	56.257	249.178	153.833
	Loss on sale of assets (net)	-	(355)	3.990
	Bad trade receivables written off	-	24.861	(122.224)
	Net loss on foreign currency transactions and translation	22.070	61.154	1.732
	Fair value loss on financial instruments at fair value through profit or loss	-	333	1.572
	Other expenses	113.415	231.729	116.066
		1.019.726	3.713.690	2.010.266
Note 35	Exceptional items			
	Expenses related to acquisitions	-	-	-
	Others	-	-	-
Note 36	Tax expense			
	Current tax	(23.053)	434.371	256.006
	Deferred tax	7.569	102.399	124.212
		(15.484)	536.770	380.218

Laboratorios Karizoo SA
Notes forming part of the financial statements

Note

1 Legal status and principal activities

Laboratorios Karizoo SA ("The Company") is a family owned company founded in 1983, dedicated to manufacture and distribute veterinary medical and nutritional products. The corporate office is located in Caldes de Montbui, Barcelona (Spain). Laboratorios Karizoo is committed to the veterinary sector and its main objective is to improve the health and well-being of farm animals as well as the health and quality of life of pets.

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 Laboratorios Karizoo SA ('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 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

Laboratorios Karizoo SA
Notes forming part of the financial statements

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 case of revalued assets

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.

