

**LABORATORIOS KARIZOO, S.A.**  
**BALANCE SHEET AS AT 31 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	2,629,662	2,658,512
(b) Capital work in progress	4	1,844,611	1,339,062
(c) Intangible Assets	5	12,709	3,631
(d) Financial Assets			
(i) Investments	6	243,065	244,167
(ii) Loans	7	805,415	849,535
<b>Total Non-current assets</b>		<b>5,535,462</b>	<b>5,094,907</b>
<b>2 Current assets</b>			
(a) Inventories	8	6,236,558	5,085,500
(b) Financial Assets			
(i) Trade receivables	9	6,760,851	7,395,299
(ii) Cash and cash equivalents	10	2,137,051	746,803
(iii) Loans	11	22,550	23,388
(iv) Others	12	9,710	5,870
(c) Other current assets	13	189,265	197,031
<b>Total Current assets</b>		<b>15,355,984</b>	<b>13,453,890</b>
<b>TOTAL ASSETS</b>		<b>20,891,446</b>	<b>18,548,797</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	356,742	356,742
(b) Other Equity	15	6,156,770	5,026,969
<b>Total Equity</b>		<b>6,513,511</b>	<b>5,383,711</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	1,139,473	1,364,247
(ii) Other financial liabilities	17	537,614	760,059
(iii) Deferred tax Liability (net)	18	30,773	26,247
<b>Total Non-Current Liabilities</b>		<b>1,707,860</b>	<b>2,150,553</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Short-term borrowings	19	2,593,139	2,836,852
(ii) Trade payables	20	7,015,616	5,635,829
(iii) Other financial liabilities	21	2,535,992	2,194,268
(b) Other current liabilities	22	389,596	216,714
(c) Current tax liabilities	23	135,732	130,872
<b>Total Current liabilities</b>		<b>12,670,075</b>	<b>11,014,534</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,891,446</b>	<b>18,548,797</b>

Significant Accounting Policies & Notes on Accounts

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



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



**KARIZOO**

LABORATORIOS KARIZOO, S.A. Director

NIF: A08618002

**LABORATORIOS KARIZOO, S.A.**  
**PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

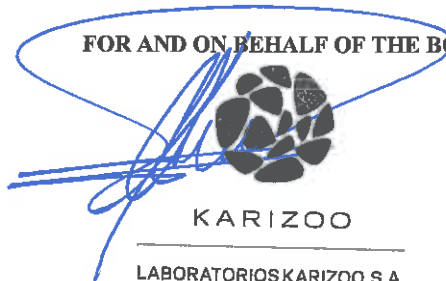
Particulars	Note No	Year ended 31 Mar 2019 (Amount in Euro)	Year ended 31 Mar 2018 (Amount in Euro)
(I) Revenue From Operations	24	34,089,707	31,937,988
(II) Other Income	25	119,921	132,383
(III) <b>Total Income (I+ II)</b>		<b>34,209,628</b>	<b>32,070,371</b>
(IV) <b>EXPENSES</b>			
Cost of materials consumed	26	25,423,690	23,175,928
Changes in inventories of finished goods and work-in-progress & intermediates	27	(982,713)	(631,080)
Employee benefits expense	28	3,381,154	2,947,686
Finance costs	29	138,456	151,765
Depreciation and amortization expense	30	243,208	259,554
Other expenses	31	3,995,229	3,713,690
<b>Total expenses (IV)</b>		<b>32,199,022</b>	<b>29,617,542</b>
(V) Profit before tax (III- IV)		<b>2,010,606</b>	<b>2,452,829</b>
(VI) Tax expense:	32		
(1) Current tax		401,280	434,371
(2) Deferred tax		4,526	102,399
(VII) Profit (Loss) for the Year (V-VI)		<b>1,604,801</b>	<b>1,916,059</b>
(VIII) Earnings per equity share:	33		
(1) Basic		162.22	193.68
(2) Diluted		162.22	193.68

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



Place : Barcelona, Spain  
 Date 08/06/2019

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**



**KARIZOO**

LABORATORIOS KARIZOO, S.A.  
 NIF: A08818502

Director

**Laboratorios Karizoo SA**  
**Notes forming part of the financial statements**

**Note**

**1 Legal status and principal activities**

Laboratorios Karizoo SA ("The 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 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 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.



**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.



**LABORATORIOS KARIZOO, S.A.**
**Notes to accounts**

Note no	Particulars	As at 31st Mar 2019 (Amount in Euro)	As at 31st Mar 2018 (Amount in Euro)
<b>Note 3</b>	<b>Property, plant and equipment</b>		
	Freehold land	176,014	176,014
	Factory Building	516,655	532,926
	Office building	55,988	59,143
	Furniture and fixtures	71,355	77,525
	Technical Installation	560,437	630,902
	Computers	24,391	27,026
	Plant and machinery	1,088,357	985,009
	Vehicles	136,465	169,967
		<b>2,629,662</b>	<b>2,658,512</b>
<b>Note 4</b>	<b>Capital work in progress</b>	1,844,611	1,339,062
		<b>1,844,611</b>	<b>1,339,062</b>
<b>Note 5</b>	<b>Intangible assets</b>		
	Software Lisc Fees	12,709	3,631
		<b>12,709</b>	<b>3,631</b>
<b>Note 6</b>	<b>Non-current Investments</b>		
	Investments in equity instruments - Subsidiaries	236,837	236,837
	Investments in equity instruments - Others	6,228	7,330
		<b>243,065</b>	<b>244,167</b>
<b>Note 7</b>	<b>Other Non-Current Financial assets</b>		
	Security Deposits	51,250	49,629
	Loans to Related Parties	754,165	799,906
		<b>805,415</b>	<b>849,535</b>
<b>Note 8</b>	<b>Inventories</b>		
	Raw materials and packing materials	2,149,395	1,981,050
		2,149,395	1,981,050
	Work-in-progress and intermediates	293,354	121,313
	Finished goods	3,793,809	2,983,137
		3,793,809	2,983,137
		<b>6,236,558</b>	<b>5,085,500</b>
<b>Note 9</b>	<b>Trade receivables</b>		
	(a) Unsecured, considered good	6,760,851	7,395,299
	(b) Unsecured, considered doubtful	118,908	95,806
		6,879,759	7,491,105
	Less: Provision for doubtful debts	(118,908)	(95,806)
		6,760,851	7,395,299
		<b>6,760,851</b>	<b>7,395,299</b>
<b>Note 10</b>	<b>Cash and cash equivalents</b>		
	Cash on hand	1,201	143
	Balances with banks		
	- In current accounts	2,078,445	712,477
	<b>In earmarked accounts</b>		
	- Margin money deposits	57,405	34,183
		<b>2,137,051</b>	<b>746,803</b>

**LABORATORIOS KARIZOO, S.A.**
**Notes to accounts**

Note no	Particulars	As at	As at
		31st Mar 2019 (Amount in Euro)	31st Mar 2018 (Amount in Euro)
<b>Note 11</b>	<b>Current Loans</b>		
	<b>Unsecured, considered good;</b>		
	Advances to employees	2,550	3,388
	Loans & Advances to related parties	20,000	20,000
		<b>22,550</b>	<b>23,388</b>
<b>Note 12</b>	<b>Other current financial assets</b>		
	Interest on Related Party Loans	9,710	5,870
		<b>9,710</b>	<b>5,870</b>
<b>Note 13</b>	<b>Other current assets</b>		
	Advance to supplier	-	591
	Balances with government authorities	108,432	145,189
	Prepaid expenses	79,583	51,250
	others	1,250	-
		<b>189,265</b>	<b>197,031</b>
<b>Note 16</b>	<b>Other Non-current Financial liabilities</b>		
	<b>From banks</b>		
	Secured	123,418	136,563
	Unsecured	908,880	1,030,504
	<b>From other parties</b>		
	Unsecured	107,176	197,180
		<b>1,139,473</b>	<b>1,364,247</b>
<b>Note 17</b>	<b>Other Non-current financial liabilities</b>		
	Finance lease obligation	537,614	760,059
		<b>537,614</b>	<b>760,059</b>
<b>Note 18</b>	<b>Deferred tax Liability</b>		
	Deferred tax Liability (net) Others	30,773	26,247
		<b>30,773</b>	<b>26,247</b>
<b>Note 19</b>	<b>Current Financial Liabilities - Short term borrowings</b>		
	(a) Loans repayable on demand		
	From banks		
	Unsecured	2,593,139	2,836,852
		<b>2,593,139</b>	<b>2,836,852</b>
<b>Note 20</b>	<b>Trade payable</b>		
	Trade payable	7,015,616	5,635,829
		<b>7,015,616</b>	<b>5,635,829</b>
<b>Note 21</b>	<b>Other Current Financial liabilities</b>		
	Current maturities of long-term debt	765,319	420,652
	Interest accrued and due on borrowings	2,085	2,951
	Finance lease payables	189,537	141,766
	Other current liabilities	1,579,051	1,628,898
		<b>2,535,992</b>	<b>2,194,268</b>
<b>Note 22</b>	<b>Other Current Liabilities</b>		
	(i) Statutory remittances	174,381	192,191
	(ii) Advances from customers	215,215	24,522
		<b>389,596</b>	<b>216,714</b>
<b>Note 23</b>	<b>Current tax liabilities (Net)</b>		
	Provision for taxation	135,732	130,872
		<b>135,732</b>	<b>130,872</b>

**LABORATORIOS KARIZOO, S.A.**

**Notes to accounts**

	<u>As at 31st Mar 2019 (Amount in Euro)</u>	<u>As at 31st Mar 2018 (Amount in Euro)</u>
<b>14 Share capital</b>		
<b>(a) Authorised Share Capital</b>		
9893 share of Euro 36.06 each	356,742	356,742
<b>(b) Issued Share Capital</b>		
9893 share of Euro 36.06 each	356,742	356,742
	<u>356,742</u>	<u>356,742</u>

Notes :

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

	<u>As at 31st Mar 2019</u>		<u>As at 31st Mar 2018</u>	
	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>	<u>Amount</u>
No. Equity shares	9,893	356,742	9,893	356,742
Add : Shares issued during the period	-	-	-	-
Shares outstanding at the end of the period	<u>9,893</u>	<u>356,742</u>	<u>9,893</u>	<u>356,742</u>

(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 Participacions S.L.	9,893	100%	9,893	100%

	<u>As at 31st Mar 2019</u>	<u>As at 31st Mar 2018</u>
<b>15 a) Retained Earnings</b>		
Opening Balance	2,710,738	1,394,679
Add: Profit for the year	1,604,800	1,916,059
Less : Dividend paid	(475,000)	(600,000)
	<u>3,840,538</u>	<u>2,710,738</u>
<b>ii) Other Reserves</b>		
Securities premium reserve	228,598	228,598
General reserve	2,040,724	2,040,724
Voluntary reserves	46,910	46,910
	<u>2,316,231</u>	<u>2,316,231</u>
<b>Other Equity (Total)</b>	<u>6,156,770</u>	<u>5,026,969</u>



**LABORATORIOS KARIZOO, S.A.****Notes to accounts**

<b>Note no</b>	<b>Particulars</b>	<b>Year ended 31 Mar 2019 (Amount in Euro)</b>	<b>Year ended 31 Mar 2018 (Amount in Euro)</b>
<b>Note 24</b>	<b>Revenue from operations</b>		
	a) Sale of products	33,903,693	31,776,937
	b) Sale of services	99,676	127,447
	c) Other operating revenues	86,337	33,603
		<b>34,089,707</b>	<b>31,937,988</b>
<b>Note 25</b>	<b>Other Income</b>		
	Interest income	26,425	19,139
	Dividend Income	364	299
	Other non-operating income	34,813	14,952
	Fair value gain on financial instruments at fair value	-	1,299
	Net gain on foreign currency transactions and tr	58,318	96,694
		<b>119,921</b>	<b>132,383</b>
<b>Note 26</b>	<b>Cost of materials consumed</b>		
	Opening stock	1,981,050	1,062,602
	Add: Purchases	25,592,035	24,094,376
	Less: Closing stock	2,149,395	1,981,050
		<b>25,423,690</b>	<b>23,175,928</b>
<b>Note 27</b>	<b>Changes in inventories of finished goods and work-in-progress &amp; intermediates</b>		
	Opening stock		
	Work-in-progress and intermediates	121,313	122,672
	Finished goods	2,983,137	2,350,698
		<b>3,104,450</b>	<b>2,473,371</b>
	Closing stock		
	Work-in-progress and intermediates	293,354	121,313
	Finished goods	3,793,809	2,983,137
		<b>4,087,163</b>	<b>3,104,450</b>
	<b>Net (increase) / decrease</b>	<b>(982,713)</b>	<b>(631,079)</b>
<b>Note 28</b>	<b>Employee benefits expense</b>		
	Salaries and wages	2,659,566	2,287,245
	Contribution to provident and other funds	685,398	631,437
	Staff welfare expenses	36,190	29,004
		<b>3,381,154</b>	<b>2,947,686</b>

**LABORATORIOS KARIZOO, S.A.****Notes to accounts**

<b>Note no</b>	<b>Particulars</b>	<b>Year ended 31 Mar 2019 (Amount in Euro)</b>	<b>Year ended 31 Mar 2018 (Amount in Euro)</b>
<b>Note 29</b>	<b>Finance costs</b>		
	Interest expense	102,183	116,585
	Other borrowing costs	36,273	35,180
		<u>138,456</u>	<u>151,765</u>
<b>Note 30</b>	<b>Depreciation and amortization expense</b>		
	Tangible assets	237,473	235,713
	Intangible assets	5,735	23,841
		<u>243,208</u>	<u>259,554</u>
<b>Note 31</b>	<b>Other expenses</b>		
	Travel expenses	135,937	129,955
	Communication expenses	43,825	38,240
	Contract labour charges	35,437	44,259
	Legal and Professional charges	967,107	940,674
	Freight and forwarding	661,785	675,867
	Power and fuel	216,413	170,348
	Rent	431,085	281,846
	Analytical charges	39,893	28,411
	Repairs to machinery	201,479	207,857
	Repairs to others	131,994	114,330
	Insurance	107,757	100,592
	Advertisement and selling expenses	6,878	8,601
	Marketing Expenses	432,596	405,809
	Rates and taxes	262,478	249,178
	Loss on sale of assets (net)	525	(355)
	Bad trade receivables written off	-	24,861
	Net loss on foreign currency transactions and tr	113,249	61,154
	Provision for doubtful trade receivables	23,102	-
	Fair value loss on financial instruments at fair v	1,101	333
	Other expenses	182,587	231,729
		<u>3,995,229</u>	<u>3,713,690</u>
<b>Note 32</b>	<b>Tax expense</b>		
	Current tax	401,280	434,371
	Deferred tax	4,526	102,399
		<u>405,806</u>	<u>536,770</u>

LABORATORIOS KARIZOO, S.A.  
Notes to accounts

Note no	Particulars	Year ended 31 Mar 2019 (Amount in Euro)	Year ended 31 Mar 2018 (Amount in Euro)
<b>33</b>	<b>Earning per Share</b>		
	Issued No of Equity shares	9,893	9,893
	Profit (Loss) for the year	1,604,801	1,916,059
	Basic Earning Per share	<b>162.22</b>	<b>193.68</b>
	Diluted Earning Per share	<b>162.22</b>	<b>193.68</b>
<b>34</b>	<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.		
		<u>Year ended</u> <u>31 Mar 2019</u> <u>(Amount in Euro)</u>	<u>Year ended</u> <u>31 Mar 2018</u> <u>(Amount in Euro)</u>
<b>i</b>	<b>Revenue From Operations</b>		
	Asia	1,822,781	2,236,701
	Europe	31,675,729	29,212,937
	Rest of the World	591,197	488,350
	<b>Grand Total</b>	<b>34,089,707</b>	<b>31,937,988</b>
<b>ii</b>	<b>Total Assets</b>		
	Asia	306,241	779,306
	Europe	19,320,178	16,387,055
	Rest of the World	216,546	288,734
	<b>Total Segment Assets</b>	<b>19,842,966</b>	<b>17,455,096</b>
	Unallocated	1,048,481	1,093,702
	<b>Total</b>	<b>20,891,446</b>	<b>18,548,798</b>
<b>iii</b>	<b>Cost incurred during the Year to acquire Segment Assets</b>		
	Asia	-	-
	Europe	745,192	1,470,717
	Rest of the World	-	-
	<b>Total</b>	<b>745,192</b>	<b>1,470,717</b>