GREENLIFE BLISS HEALTHCARE LTD.

FINANCIAL STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2018

AUDITORS

'BIODUN YEWANDE & CO.

(Chartered Accountants)

Km 38 Lagos/Abeokuta Expressway Igbala Sango Ota
Ogun State

GREENLIFE BLISS HEALTHCARE LTD.

DIRECTORS, OFFICIALS AND ADVISERS

DIRECTORS	:	DR. OBIORA CHUKUWKA CHIEF EBERE NWOSU S.N.KAMATH
OFFICE ADDRESS	:	3, NEROS PHARMA AVENUE, OFF. EWUPE ROAD, SINGER BUS / STOP, SANGO-OTA, OGUN STATE NIGERIA
AUDITORS	:	MESSERS 'BIODUN YEWANDE & CO' (Chartered Accountants) Km 38 Lagos/Abeokuta Expressway Igbala, Sango Ota Ogun State Nigeria

BCY

'BIODUN YEWANDE & CO.

(Chartered Accountant)

* External Auditors * Tax & Financial Management Consultants * receivership
Km. 38, Lagos/Abeokuta Expressway, Igbala, Sango-Ota, Ogun State.
Tel: 08023027965, 07065320722.

AUDITOR'S REPORT

TO MEMBERS OF GREENLIFE BLISS HEALTHCARE LTD.

We have audited the Financial Statement of GREENLIFE BLISS HEALTHCARE LTD for the year ended 31st of March, 2018 which has been prepared on the basis of the Accounting Policies set out on these pages.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

In accordance with the Companies and Allied Matters Acts 1990, the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of the affairs of the company.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. An Audit includes an examination on a tests basis of evidence relevant to the amounts and the discourse in the financial statements. It also includes an assessment of the significant estimates and judgments and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statement are free from material misstatements, whether caused by fraud, other irregularities or error in forming our opinion. We also evaluated the overall adequacy of information in the Financial Statements. The Financial Statements are in agreement with the books of accounts which have been properly kept and we obtained the information and explanation we required.

OPINION.

In our opinion, the Financial Statements give a true and fair view of the states of affairs of the company as at 31st of March, 2018 and of the profit/(Loss) for the year ended on that date and have been properly prepared in accordance with the Companies and Allied Matters Act 1990 and relevant statement of accounting Standards issued by the Nigerian Accounting Standards Board.

Biodun Yewande & Co.
(Chartered Accountants)
Ogun State, Nigeria.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN

GREENLIFE BLISS HEALTHCARE LTD

STATEMENT OF FINANCIAL POSITION
AS ON 31ST MARCH 2018

	Notes	2018	2017
		₦	₦
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	1,54,14,58,154	1,62,88,58,371
(b) Capital Work-in-Progress		-	-
TOTAL NON-CURRENT ASSETS		1,54,14,58,154	1,62,88,58,371
CURRENT ASSETS			
(a) Inventories	5	70,94,84,961	23,20,33,459
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables	6	67,45,12,705	10,44,89,030
(iii) Cash and Cash Equivalents	7	3,22,62,043	84,72,324
(iv) Prepayment		-	-
(vi) Other Financial Assets	6	2,48,41,619	8,37,19,766
TOTAL CURRENT ASSETS		1,44,11,01,330	42,87,14,578
TOTAL ASSETS		2,98,25,59,484	2,05,75,72,949
EQUITY			
(i) Share Capital	1	20,00,000	20,00,000
(ii) Share Premium		-	-
(iii) Share based payment reserve		-	-
(iv) Retain earnings		-1,66,20,479	-17,48,71,969
		-1,46,20,479	-17,28,71,969
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	2	1,93,01,63,608	1,92,99,67,959
(ii) Other Financial Liabilities			
(b) Provisions			
(c) Deferred Tax Liabilities (Net)			
(d) Other Non-current Liabilities			
		1,93,01,63,608	1,92,99,67,959
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	3	98,52,43,156	27,76,28,203
(iii) Other Financial Liabilities		-	-
(b) Provisions	3	7,73,42,665	1,28,43,141
(C) Other Current Liabilities	3	44,30,533	1,00,05,616
		1,06,70,16,355	30,04,76,960
TOTAL LIABILITIES		2,98,25,59,484	2,05,75,72,949

The accompanying notes are an integral part of the Financial Statements

Directors

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GREENLIFE BLISS HEALTHCARE LTD

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2018

	Notes	2018	2017
		₦	₦
Revenue	8	2,06,16,06,882	79,79,13,664
Cost of Sales		-1,58,10,62,484	-59,94,34,604
Gross Profit		48,05,44,398	19,84,79,060
Other Income	9	75,16,388	40,58,263
Marketing and distribution expenses		-	-
Administrative expenses	10 (b) & 11	-26,19,87,228	-18,30,99,160
Operating Profit		22,60,73,558	1,94,38,163
Finance Income		-	-
Finance cost		-	-
Net Finance Costs		-	-
Profit Before Tax	10	22,60,73,558	1,94,38,163
Income tax expense	12	-6,78,22,067	-59,48,078
Profit for the year		15,82,51,490	1,34,90,085
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total Other comprehensive income for the year		-	-
Profit for the year is attributable to :			
Owners of the company		15,82,51,490	1,34,90,085
Earnings per equity share:			
(1) Basic and Diluted earnings per share		791.26	67.45

The accompanying notes are an integral part of the Financial Statements

Directors

GREENLIFE BLISS HEALTHCARE LTD

NOTES :- FINANCIAL POSITION
AS ON 31ST MARCH 2018

NOTE (8) :- Revenue for the year which arose from sales of goods comprise :

	2018	2017
	₦	₦
Nigeria	2,06,16,06,882	79,79,13,664
Export	-	-
Total Revenue	2,06,16,06,882	79,79,13,664

Geographical information :

Nigeria	2,06,16,06,882	79,79,13,664

Major Customer :

Revenue from single customer namely "Greenlife Pharmaceutical LTD" comprise of 100% of the company total revenue

NOTE (9) :-Other Income :

	2018	2017
	₦	₦
Sales of Scrap	75,16,388	40,58,263
Other	-	-
Total Other income	75,16,388	40,58,263

NOTE (10) :-Profit before taxation :

	2018	2017
	₦	₦
(a) Profit before taxation is stated after charging (crediting) :		
Depreciation of Property, Plant and Equipment	9,06,02,347	4,99,16,367
Auditors remuneration	10,00,000	10,00,000
Personal expenses	11,71,03,656	8,25,74,643
Rent including lease rentals	1,24,66,666	76,33,334
(b) Analysis of expenses by nature		
Raw materials and consumables	1,58,10,62,484	59,94,34,604
Depreciation	9,06,02,347	4,99,16,367
Employee benefits	11,71,03,656	8,25,74,643
Electricity	35,87,052	29,27,829
Rent including lease rentals	1,24,66,666	76,33,334
Insurance	17,07,903	10,30,037
Repairs and maintenance	49,75,938	34,69,575
Postage, Telephone and Communication	4,06,500	4,99,739
Legal and Professional Charges	11,39,542	12,30,083
Travelling & Conveyance Expenses	69,02,975	69,61,724
Auditors' remuneration	10,00,000	10,00,000
Expatriate Expenses	81,98,863	41,50,801
Security/ House Help Exp	15,74,398	18,17,468
Miscellaneous expenses	1,23,21,388	1,98,87,561
Total cost of sales, marketing & distribution and administration expenses	1,84,30,49,712	78,25,33,764

NOTE (11) :-Persional expense :

	2018	2017
	₦	₦
Staff costs including the provision for gratuity liabilities and other long term employee benefits :		
Salaries, wages, bonus, etc	11,08,46,311	7,87,56,311
Staff welfare	62,57,345	38,18,333
	11,71,03,656	8,25,74,643

NOTE (12) :-Taxation :

	2018	2017
	₦	₦

The income tax for the year has been computed after adjusting for certain items for expenditure and income , which are not deductable or chargeable for tax purposes, and comprises :

	2018	2017
Current tax expenses		
income tax	6,33,00,596	58,31,449
tertiary education tax	45,21,471	1,16,629
	6,78,22,067	59,48,078

NOTE (1) :- Statement of changes in Equity

Attributale to equity holders of the coompany	Equity		Reserves and Surplus					
	Share Capital	Share premium	Capital Reserve	Securities Premium Reserve	Treasury Shares	General Reserve	Other Reserve (specify nature	Retained Earnings
As at 1 April 2016	20,00,000	-	-	-	-	-	-	-18,83,62,054
Profit / (Loss) for the period								1,34,90,085
Other Comprehensive Income / (Loss)								
Total Comprehensive Income for the year	20,00,000	-	-	-	-	-	-	-17,48,71,969
Dividend paid on Equity Shares	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-	-	-
Transfers from retained earnings	-	-	-	-	-	-	-	-
Equity Share Issuance Costs	-	-	-	-	-	-	-	-
Exercise of employee stock options	-	-	-	-	-	-	-	-
Options granted during the period	-	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-
As at 31 March 2017	20,00,000	-	-	-	-	-	-	-17,48,71,969
Profit / (Loss) for the period	-	-	-	-	-	-	-	15,82,51,490
Other Comprehensive Income / (Loss)	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	20,00,000	-	-	-	-	-	-	-1,66,20,479
Dividend paid on Equity Shares	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
Transfers to Reserves	-	-	-	-	-	-	-	-
Transfers from retained earnings	-	-	-	-	-	-	-	-
Equity Share Issuance Costs	-	-	-	-	-	-	-	-
Exercise of employee stock options	-	-	-	-	-	-	-	-
Options granted during the period	-	-	-	-	-	-	-	-
Any other changes (to be specified)	-	-	-	-	-	-	-	-
As at 31 March 2018	20,00,000	-	-	-	-	-	-	-1,66,20,479

NOTE (4) :- Property, Plant and Equipment

Note	Land & Building	Plant & Machinery	Motor Car	Furniture & Fixture	Computer	Equipment	CWIP	TOTAL
Cost								
As at 1 April 2016	52,98,02,009	60,01,09,431	-	1,13,18,354	49,05,250	-	43,91,247	1,15,05.26,290
Addition	28,52,10,445	41,43,28,593	27,90,221	77,96,104	2,90,067	-	-	71,04,15,430
Disposals	-	-	-	-	-	-	43,91,247	43,91,247
Transfer								
As at 31 March 2017	81,50,12,454	1,01,44,38,024	27,90,221	1,91,14,458	51,95,317	-	-	1,85,65.50,474
As at 1 April 2017	81,50,12,454	1,01,44,38,024	27,90,221	1,91,14,458	51,95,317	-	-	1,85,65,50,474
Addition	13,41,762	11,11,368	-	1,62,000	5,87,000	-	-	32.02.130
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	
As at 31 March 2018	81,63,54,216	1,01,55,49,392	27,90,221	1,92,76,458	57,82,317	-	-	1,85,97,52,604
Accumulated Depreciation								
As at 1 April 2016	3,24,08,018	14,34,41,490	-	6,13,479	13,12,748	-	-	17,77,75,736
Depreciation	1,14,50,598	3,47,89,056	3,28,615	27,22,970	6,25,128	-	-	4,99.16.367
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2017	4,38,58,616	17,82,30,546	3,28,615	33,36,449	19,37,876	-	-	22,76,92,103
As at 1 April 2017	4,38,58,616	17,82,30,546	3,28,615	33,36,449	19,37,876	-	-	22,76,92,103
Depreciation	2,73,34,452	5,75,58,585	6,97,555	38,55,292	11,56,463	-	-	9,06,02,347
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	7,11,93,068	23,57,89,131	10,26,170	71,91,741	30,94,340	-	-	31,82,94,450
Carring Assets								
As at 1 April 2016	49,73,93,991	45,66,67,941	-	1,07,04,875	35,92,502	-	43,91,247	97,27,50,555
As at 31 March 2017	77,11,53,838	83,62,07,478	24,61,606	1,57,78,009	32,57,441	-	-	1,62,88,58,371
As at 31 March 2018	74,51,61,148	77,97,60,261	17,64,051	1,20,84,717	26,87,977	-	-	1,54,14,58,154

The estimated useful lives for the current and comparative years are as follows:

Assets	Estimated useful lives
Buildings	50 years
Plant and machinery	25years
Furniture and equipment	5 years
Motor vehicles	4 years
computer	5 years

NOTE (2) :-Non current Borrowings :

Long term borrowing represent long term loan granted to the company from related party and libilities stand base on time of repayment fall due.

Related party name	2018	2017
	N	N
Greenlife Pharmaceuticle Ltd	1,92,99,67,959	1,26,23,95,397

NOTE (3) :- Trade and Other Payable

	2018	2017
	N	N
Trade Payables	27,76,28,203	21,16,976
Provisions	68,95,063	35,24,928
Other Current Liabilities	1,00,05,616	1,27,46,642
	29,45,28,882	1,83,88,546

NOTE (5) :- Inventories:

	2018	2017
	N	N
Raw materials	61,40,15,611	14,63,72,586
Packing Materials	4,04,19,590	5,93,03,494
Work-in-progress	-	15,46,979
Finished Products	5,50,49,760	2,48,10,400
	70,94,84,961	23,20,33,459

NOTE (6) :- Cash and Cash Equivalents

	2018	2017
	N	N
cash and bank balances	3,22,62,043	84,72,324
Short term investment	-	-
bank overdraft used for cash management	-	-
	3,22,62,043	84,72,324

NOTE (7) :- Trade and Other Receivables

	2018	2017
	N	N
Trade Receivables	67,45,12,705	10,44,89,030
Other Financial Assets	2,48,41,619	8,37,19,766
	69,93,54,325	18,82,08,796

Significant accounting policies

Except for the changes explained if any, the Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in income statement. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(b) Financial instruments

i. *Non-derivative financial assets*

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company has the following non-derivative financial assets:

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise trade and other receivables.

Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the efective interest method, less any impairment losses.

Loans and receivables with short-term maturities and no stated rates of interest are measured at original invoice amounts where the efect of discounting is not significant.

ii. *Non-derivative financial liabilities*

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the efective interest method.

iii. *Share capital*

The Company has one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax efects.

Financial assets and liabilities are ofset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to ofset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment

i. *Recognition, measurement and derecognition*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use including, where applicable, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have diferent useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in income statement.

ii. *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement as incurred.

iii. *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

(d) Intangible assets

Software and concession right
Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. The Company's intangible assets with finite useful life comprises computer software and concession right. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific intangible asset to which it relates.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost less its residual value. Amortisation is recognised in income statement on a straight-line basis over the estimated useful lives of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

An intangible asset is derecognised where it is certain that there would be no future flow of economic benefit to the Company as a result of holding such asset.

(e Leases

Determining whether an arrangement contains a lease
At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on re-assessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased assets
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Company's statement of financial position.

Lease payments
Payments made under operating leases are recognised in income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw materials, non-returnable packaging materials and consumable spare parts	—	purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished products and products-in-process	—	average cost of direct materials and labour plus the appropriate amount attributable to production overheads based on normal production capacity.
Inventory-in-transit	—	purchase cost incurred to date.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

(g) Impairment

i. *Non-derivative financial assets*
A financial asset not measured at fair value through income statement, including an equity accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative efect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original efective interest rate. Losses are recognised in income statement and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income statement.

ii. *Non financial assets*
The carrying amount of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

Raw materials, non-returnable packaging materials and consumable spare parts	—	purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished products and products-in-process	—	average cost of direct materials and labour plus the appropriate amount attributable to production overheads based on normal production capacity.
Inventory-in-transit	—	purchase cost incurred to date.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

(g) Impairment

i. *Non-derivative financial assets*

A financial asset not measured at fair value through income statement, including an equity accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative efect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the diference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original efective interest rate. Losses are recognised in income statement and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income statement.

ii. *Non financial assets*

The carrying amount of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

(l) Finance income and finance costs

Finance income comprises interest income on funds invested, gains on the disposal of available-for-sale financial assets. Finance income is recognised as it accrues in income statement, using the efective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, interest expense on factoring of trade receivables recognised on financial assets except finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the related assets, are recognised in income statement using the efective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(m) Income and deferred taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in income statement account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary diferences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are ofset if there is a legally enforceable right to ofset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on diferent tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in respect of temporary diferences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary diferences:

i. the initial recognition of assets or liabilities in a transaction that is not a business combination and that afects neither accounting nor taxable income statement

ii. diferences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future

iii. temporary diferences arising on the initial recognition of goodwill.

(n) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income statement attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the income statement attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the efects of all dilutive potential ordinary shares.

(o) Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation diferences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost paid is also included in financing activities while finance income received is included in investing activities.