

SABERO AUSTRALIA PTY LTD

ABN 33 087 313 059

Financial Report for the Financial Year Ended 31 March 2020

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 March 2020.

Directors

The names of the directors in office at any time during or since the end of the year are:

Mr Gary Peroy

Srikanthan Srinivasan

Jayashree Satagopan

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to \$7,306.00.

A review of the operations of the company during the financial year and the results of those operations show no changes in market demand and competition.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year was as a representative in respect of the importation of agricultural chemicals into Australia.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The Company's operations, as a representative of the parent entity with respect to the importation of chemicals into Australia by the parent entity, are required by the Agricultural and Veterinary Chemicals Act 1994 of the Commonwealth of Australia.

Dividends

No dividends were paid or declared since the start of the financial year.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of a court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

Sabero Australia Pty Ltd

ABN 33 087 313 059

DIRECTORS' REPORT

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director

Gary Peroy

Dated this

22nd

day of

May

2020

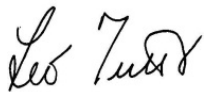
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF SABERO AUSTRALIA PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck
Accountants & Advisors
ABN 16 021 300 521



Leo Tutt
Partner

22 May 2020

ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150

Telephone: +61 2 8263 4000
williambuck.com

Sabero Australia Pty Ltd**ABN 33 087 313 059****INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020	2019
		\$	\$
Revenue		126,076	33,054
Other Income/Write off of liability		-	1,396
Interest Received		1	
Accountancy fees - credit		-	-
Accountancy fees		(23,750)	(5,060)
Auditor's remuneration		(4,037)	(4,000)
Bank charges		(39)	(42)
Directors' fees		(3,250)	
APVMA Fees		(43,145)	(8,089)
Consultancy Fees		(43,954)	-
Fines		-	
Filing Fees		(596)	
Profit (Loss) before income tax		7,306	17,259
Income tax expense	2	-	-
Profit (Loss) for the year		7,306	17,259
Profit (Loss) attributable to:			
Members of the parent entity		7,306	17,259

Sabero Australia Pty Ltd

ABN 33 087 313 059

The accompanying notes form part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020	2019
		\$	\$
Profit (Loss) for the year		7,306	17,259
Other comprehensive income:			
Net loss on revaluation of land and buildings		-	-
Net gain on revaluation of financial assets		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income (loss) for the year		<u>7,306</u>	<u>17,259</u>
Total comprehensive income (loss) attributable to:			
Members of the parent entity		<u>7,306</u>	<u>17,259</u>

The accompanying notes form part of these financial statements.

Sabero Australia Pty Ltd

ABN 33 087 313 059

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	845	2,584
Trade and other receivables	4	19,495	-
Other current assets		-	3,575
TOTAL CURRENT ASSETS		20,341	6,159
NON-CURRENT ASSETS			
Investments	5	1,397	1,397
TOTAL NON-CURRENT ASSETS		1,397	1,397
TOTAL ASSETS		21,737	7,556
LIABILITIES			
CURRENT LIABILITIES			
Other payables	6	10,875	4,000
Borrowings		-	-
TOTAL CURRENT LIABILITIES		10,875	4,000
NON-CURRENT LIABILITIES			
Borrowings		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		10,875	4,000
NET ASSETS		10,862	3,556
EQUITY			
Issued capital	7	78,092	78,092
Reserves		-	-
Retained earnings		(67,230)	(74,536)
TOTAL		10,862	3,556

The accompanying notes form part of these financial statements.

Sabero Australia Pty Ltd

ABN 33 087 313 059

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Note	Issued Capital (Ordinary Shares)	Retained Earnings / (Deficiency)	Total
		\$	\$	\$
Balance at 1 April 2018		78,092	(91,795)	(13,703)
<hr/>				
Comprehensive income				
Profit (loss) for the year		-	17,259	17,259
Other comprehensive income for the year		-	-	-
Total comprehensive income (loss) for the year attributable to members of the entity		-	17,259	17,259
<hr/>				
Issuance of additional equity		-	-	-
<hr/>				
Balance at 31 March 2019		78,092	(74,536)	3,556
<hr/>				
Comprehensive income				
Profit (loss) for the year			7,306	7,306
Other comprehensive income for the year				
Total comprehensive income (loss) for the year attributable to members of the entity			7,306	7,306
<hr/>				
Issuance of additional equity		-	-	-
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Balance at 31 March 2020		78,092	(67,230)	10,862
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The accompanying notes form part of these financial statements.

Sabero Australia Pty Ltd

ABN 33 087 313 059

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		126,076	33,053
Payments to suppliers and employees		(127,816)	(30,695)
Dividends received		-	-
Interest received		1	-
Finance costs		-	-
Income tax paid		-	-
Net cash provided by operating activities	8	(1,739)	2,358
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		-	-
Payment for property, plant and equipment		-	-
Payment for investments		-	-
Amounts from related parties – amounts granted/ acquitted		-	-
Net cash provided by (used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuing shares		-	-
Repayment of borrowings		-	-
Dividends paid:		-	-
Net cash provided by (used in) financing activities		-	-
Net (decrease) increase in cash held		(1,739)	2,358
Cash at beginning of financial year		2,584	226
Cash at end of financial year	3	845	2,584

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sabero Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 22 May 2020 by the directors of the company.

Accounting Policies

a. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

c. Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the company invoices the end customer at an amount that reflects the consideration the company expects to receive for the invoice, exclusive of goods and services tax.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

d. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

e. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

f. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as proceeds.

g. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

h. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

i. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) Impairment – general

The company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(ii) Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTE 2: INCOME TAX EXPENSE

	Note	2020	2019
		\$	\$
Income tax expense		-	-

NOTE 3: CASH AND CASH EQUIVALENTS

Cash on hand	-	-
Cash at bank	845	2,584
	<u>845</u>	<u>2,584</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	845	2,584
Bank overdrafts	-	-
	<u>845</u>	<u>2,584</u>

NOTE 4: TRADE AND OTHER RECEIVABLES

Other Debtors	12,000	-
GST Paid	7,495	-
	<u>19,495</u>	<u>-</u>

NOTE 5: INVESTMENTS

4,960 Shares in Sabero Argentina @cost	1,396	1,396
1 Share in Sabero Organics Mexico S.A de C.V. @cost	1	1
	<u>1,397</u>	<u>1,397</u>

NOTE 6: OTHER PAYABLES

Sundry payables and accrued expenses	4,000	4,000
Accrued Expense	6,875	-
	<u>10,875</u>	<u>4,000</u>

Sabero Australia Pty Ltd

ABN 33 087 313 059

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2020	2019
\$	\$

NOTE 7: ISSUED CAPITAL

a.	5,578 (2017: 5,578) fully paid ordinary shares	78,092	78,092
	The company has authorised share capital amounting to ordinary shares of \$14 par value.		
	Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.		
	At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.		

NOTE 8: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit (Loss) after income tax	7,306	17,259
Changes in assets and liabilities:		
– increase in receivables	(15,920)	(3,575)
– decrease in other assets	-	-
– increase (decrease) in payables	6,875	(11,326)
– increase in provisions	-	-
– increase/(decrease) in income tax payable	-	-
– (decrease)/increase in deferred taxes payable	-	-
– (increase)/decrease in deferred taxes receivable	-	-
Net cash provided by (used in) operating activities	(1,739)	2,358

NOTE 9: COMPANY DETAILS

The registered office of the company is:

Suite 2 Level 22
66 Goulburn Street
Sydney NSW 2000

The principal place of business is:

Suite 2 Level 22
66 Goulburn Street
Sydney NSW 2000

Sabero Australia Pty Ltd

ABN 33 087 313 059

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Sabero Australia Pty Ltd, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 13 in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the company's financial position as at 31 March 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director

Gary Perry

Dated this

22nd

day of

May

2020

Sabero Australia Pty Limited

Independent auditor's report to the Director

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sabero Australia Pty Limited (the Company), which comprises the statement of financial position as at 31 March 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 March 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
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Telephone: +61 2 8263 4000
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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

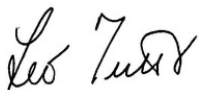
This description forms part of our independent auditor's report.



William Buck

Accountants & Advisors

ABN 16 021 300 521



L.E. Tutt

Partner

Sydney, 22 May 2020