

**Certified Public Accountant**


**INDEPENDENT AUDITOR'S REPORT**

The Shareholders and Board of Directors  
SABERO ORGANIC PHILIPPINES ASIA INC.  
Unit 2005B Tektite West Tower, PSEC, Exchange Road  
Ortigas Center, Brgy. San Antonio, Pasig City 1605

I have audited the accompanying financial statements of SABERO ORGANIC PHILIPPINES ASIA INC. as of and for the period ended December 31, 2018, on which I have rendered the attached report dated April 5, 2019.

In compliance with Revenue regulation V-20, I am stating the following:

1. The schedule of taxes paid and accrued by the above company for the year ended December 31, 2018 is disclosed in the notes to financial statements.
2. I am not related by consanguinity or affinity to the manager, director, or primary stockholders of the Company.

  
GUILLERMA M. GUMERA  
CPA Registration No. 53368  
PRC ID Expires on June 25, 2019  
PTR No. CAL 10306236, Issued Jan. 07, 2019, issued at Caloocan City  
TIN No. 109-904-586  
BOA Accreditation No. 0974, valid until June 25, 2020  
BIR AN: 05-000328-001-2018 issued on Feb 09, 2018, valid until Feb. 09, 2021

April 5, 2019





**GUILLERMA M. GUMERA**  
Certified Public Accountant

## **INDEPENDENT AUDITOR'S REPORT**

The Shareholders and Board of Directors  
SABERO ORGANIC PHILIPPINES ASIA INC.  
Unit 2005B Tektite West Tower, PSEC, Exchange Road  
Ortigas Center, Brgy. San Antonio, Pasig City 1605

### **Report on the Audit of the Financial Statements**

#### *Opinion*

I have audited the financial statements of SABERO ORGANIC PHILIPPINES ASIA INC. which comprise the statement of financial position as at December 31, 2018 and 2017 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017 and its financial performance & its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) for SMEs.

#### *Basis for Opinion*

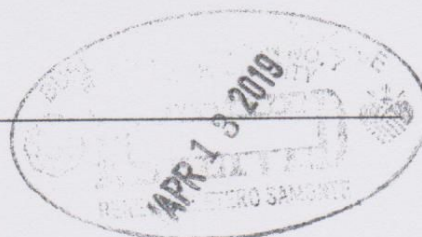
I conducted my audits in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Emphasis of Matter – Material Uncertainty Related to Going Concern*

Without qualifying my opinion, I draw attention to Note to the financial statements. As of December 31, 2018 and 2017, the company has a capital deficiency amounting to Php 424,112 and Php 152,059 for the year ended December 31, 2018 and 2017. These conditions, along with other matters as set forth in Note, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that may result from the outcome of this uncertainty.

#### *Responsibility of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) for SMEs and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.





**GUILLERMA M. GUMERA**  
**Certified Public Accountant**

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

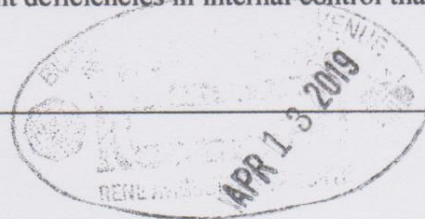
*Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs 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 these financial statements.

As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion to the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.





**GUILLERMA M. GUMERA**  
**Certified Public Accountant**

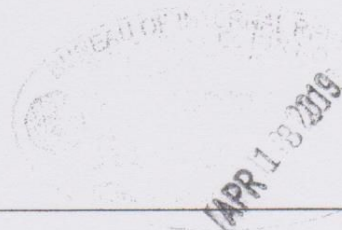
*Report on Other Legal and Regulatory Requirements -  
The Supplementary Information Required Under Revenue Regulations 15-2010 & RR 19-2011*

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 and 19-2011 in Note 10 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Guillermo*

GUILLERMA M. GUMERA  
CPA Registration No. 53368  
PRC ID Expires on June 25, 2019  
PTR No. CAL 10306236, Issued Jan. 07, 2019, issued at Caloocan City  
TIN No.109-904-586  
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April 5, 2019



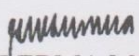
**GUILLERMA M. GUMERA**  
**Certified Public Accountant**

**SUPPLEMENTAL WRITTEN STATEMENT**

The Shareholders and Board of Directors  
SABERO ORGANIC PHILIPPINES ASIA INC.  
Unit 2005B Tektite West Tower, PSEC, Exchange Road  
Ortigas Center, Brgy. San Antonio, Pasig City 1605

I have audited the accompanying financial statements of SABERO ORGANIC PHILIPPINES ASIA INC. as of and for the period ended December 31, 2018, on which I have rendered the attached report dated April 5, 2019.

In compliance with Securities Regulation Code (SRC) Rule 68, I am stating that the above Company has a total number of four ( 4 ) shareholders owning one hundred (100) or more shares each.

  
GUILLERMA M. GUMERA  
CPA Registration No. 53368  
PRC ID Expires on June 25, 2019  
PTR No. CAL 10306236, Issued Jan. 07, 2019, issued at Caloocan City  
TIN No.109-904-586  
BOA Accreditation No.0974, valid until June 25, 2020  
BIR AN: 05-000328-001-2018 issued on Feb 09, 2018, valid until Feb. 09, 2021

April 5, 2019



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

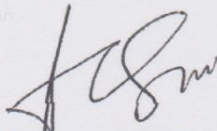
The management of SABERO ORGANICS PHILIPPINES ASIA INC. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2018 and 2017. In accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

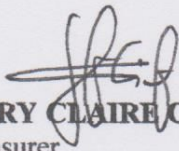
The Board of Directors (Trustees) is responsible for overseeing the Company's financial reporting process.

The Board of Directors (Trustees) reviews and approves the financial statements including the schedules attached therein and submits the same to the stockholders or members.

Guillerma M. Gumera, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

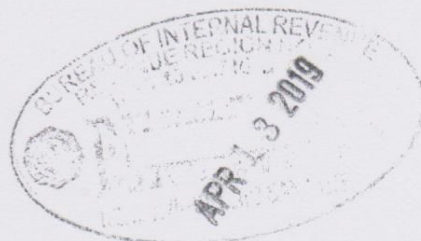


**ALINA C. SISON**  
President



**MARY CLAIRE C. CINCO**  
Treasurer

April 11, 2019



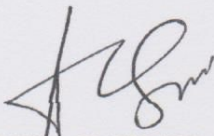


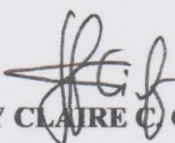
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR ANNUAL INCOME RETURN**

The Management of SABERO ORGANICS PHILIPPINES ASIA INC. is responsible for all information and representation contained in the Annual Income Tax Return for the year ending December 31, 2018. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

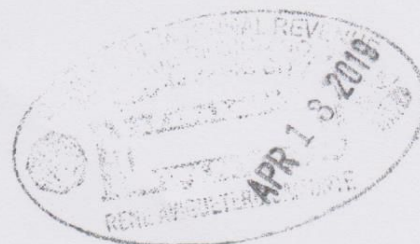
In this regard, the Management affirms that the attached audited financial statements for the year ending December 31, 2018 and the accompanying Annual Income Tax Return are in accordance with the books and records of SABERO ORGANICS PHILIPPINES ASIA INC., complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Returns has been prepared in accordance with the provisions for the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulation No 8-2007 and other relevant issuances;
- (c) the Branch has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

  
**ALINA C. SISON**  
President

  
**MARY CLAIRE C. CINCO**  
Treasurer

April 11, 2019







**SISON CORILLO PARONE & CO.**  
ACCOUNTANTS • CONSULTANTS

(+632)687-6649  
www.scp-ph.com

BOA Registration No. 0235,  
October 20, 2017 valid until November 16, 2020  
SEC Accreditation No. 0346-F  
August 31, 2017 valid until August 30, 2020

## **CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

On the basis of information provided by management we have compiled, in accordance with the Philippine Standard on Auditing applicable to compilation engagements, the statement of financial position of **Sabero Organics Philippines Asia Inc.** as at December 31, 2018 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

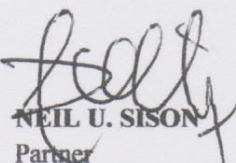
We performed compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised) Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statement in accordance with the Philippine Financial Reporting standards for Small and Medium – sized Entities (PFRS for SMEs). We have complied with the relevant ethical requirements, including principles of integrity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with PFRSs.

**SISON CORILLO PARONE & CO.**

  
**NEIL U. SISON**  
Partner

CPA Certificate No. 89997

SEC Accreditation No. 1655-A

August 31, 2017 valid until August 30, 2020


Tax Identification No. 163257522

BIR Accreditation No. 07-001125-002-2016,

December 27, 2016 valid until December 27, 2019

PTR No. A-3760329, January 09, 2018, Taguig City

April 12, 2018

a member firm of  
 **Moores Rowland**



**Sabero Organics Philippines Asia Inc.**

---

(Company's Full Name)

**Unit 2005B Tektite West Tower PSEC  
Exchange Road Ortigas Center  
San Antonio Pasig City 1605, Philippines**

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(Company's Address)

**(632) 687-6649**

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(Telephone Number)

**2018**

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(Calendar Year Ended)

**Annual Audited Financial Statements**

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Form Type

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Amendment Designation (if applicable)

**December 31, 2018**

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Period Ended Date

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(Secondary License Type and File Number)



**SABERO ORGANICS PHILIPPINES ASIA INC.**

FINANCIAL STATEMENTS  
DECEMBER 31, 2018 and 2017



**SABERO ORGANICS PHILIPPINES ASIA INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
as of December 31, 2018  
(Amounts in Philippine Peso)

	As of December	
	2018	2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	₱ 95,693	₱ 169,905
Trade and Other Receivables (Note 5)	-	175,941
Prepayments and Other Current Assets (Note 6)	183,270	80,494
<b>TOTAL ASSETS</b>	<b>₱ 278,963</b>	<b>₱ 426,340</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and Other Payables (Note 7)	₱ 167,960	₱ 43,284
<b>Noncurrent Liabilities</b>		
Share Application Money Pending Allotment (Note 8)	389,174	389,174
Share Capital Application (Note 12)	145,941	145,941
<b>Total Liabilities</b>	<b>703,075</b>	<b>578,399</b>
<b>Equity</b>		
Share Capital (Note 12)	52,000	52,000
Deficit	(476,112)	(204,059)
<b>Total Equity</b>	<b>(424,112)</b>	<b>(152,059)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱ 278,963</b>	<b>₱ 426,340</b>

See accompanying Notes to the Financial Statements.

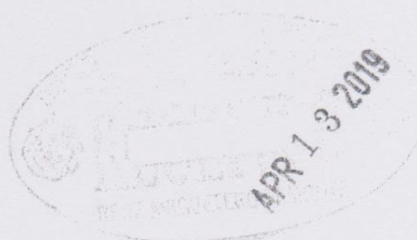




**SABERO ORGANICS PHILIPPINES ASIA INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
*(Amounts in Philippine Peso)*

	For the periods ended December 31	
	2018	2017
REVENUE (Note 9)	₱ 452,217	₱ 1,664,181
GENERAL AND ADMINISTRATIVE EXPENSES (Note 10)	710,727	1,152,221
FINANCIAL EXPENSES (Note 11)	4,499	14,034
INCOME (LOSS) BEFORE INCOME TAX	(263,009)	497,926
INCOME TAX EXPENSE (BENEFIT) (Note 14)	9,044	33,284
NET INCOME (LOSS) FOR THE YEAR	₱ (272,053)	₱ 464,642

*See accompanying Notes to the Financial Statements*



**SABERO ORGANICS PHILIPPINES ASIA INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
*(Amounts in Philippine Peso)*

	Share Capital	Deficit	Total
Beginning Balance	P 52,000	P (204,059)	P (152,059)
Net Income (loss) for the year		(272,053)	(272,053)
Balance as of December 31, 2018	P 52,000	P (476,112)	P (424,112)
Beginning Balance	P 52,000	P (668,701)	P (616,701)
Net Income (loss) for the year		464,642	464,642
Balance as of December 31, 2017	P 52,000	P (204,059)	P (152,059)

*See accompanying Notes to the Financial Statements*



**SABERO ORGANICS PHILIPPINES ASIA INC.****STATEMENTS OF CASH FLOW***(Amounts in Philippine Peso)*

	For the Year Ended December 31	
	2018	2017
<b>Cash Flow From Operating Activities</b>		
Net Income (loss) before income tax	₱ (272,053)	₱ 497,926
Operating Income (loss) before working capital changes	₱ (272,053)	₱ 497,926
Increase/Decrease in Trade and Other Receivables (Note 5)	175,941	(175,941)
Increase/Decrease in Prepayments and Other Current Assets (Note 6)	(102,776)	96,001
Increase/Decrease in Accounts Payable (Note 7)	124,676	(394,022)
Net Cash Flow in Operating Activities	₱ (74,212)	₱ 23,964
<b>Cash Flow from Investing Activities</b>		
Share Capital Application (Note 12)		145,941
Net Cash Flow by Investing Activities	₱ -	₱ 145,941
Net Increase/Decrease in Cash	(74,212)	169,905
Cash at the Beginning of the Year	169,905	
Cash at the End of the Year	₱ 95,693	₱ 169,905

*See accompanying Notes to the Financial Statements*

## **SABERO ORGANICS PHILIPPINES ASIA INC.**

### **NOTES TO THE FINANCIAL STATEMENTS**

*(Amounts in Philippine Peso)*

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#### **1. Corporate Information**

Sabero Organics Philippines Asia Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 3, 2007. Its primary purpose is to engage in the marketing, trading, on a wholesale basis of agricultural farm supplies and equipment. The office address of the Company is Unit 2005B Tektite West Tower, PSEC, Exchange Road, Ortigas Center, Barangay San Antonio, Pasig City 1605.

The Company has registered chemical brands which it plans to launch in the Philippines in the near future.

The Company's management has been undertaking measures to improve its operations and cash flows to strengthen its overall financial viability. The effects of the foregoing conditions will be recorded in the financial statements as they become known and estimable. The financial statements were prepared on a going concern basis and the assets were presented at net realizable values.

The financial statements for the year ended December 31, 2018 were approved and authorized for issue by the management on April 5, 2019

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#### **2. Basis of Preparation**

##### Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs).

##### Basis of Measurement

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

##### Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Philippine Peso (₱), which is also the Company's functional currency.

##### Use of Estimates and Judgments

The preparation of financial statements in conformity with the PFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.



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### 3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Cash

Cash include cash on hand and cash in bank that are subject to an insignificant risk of changes in value.

#### Basic Financial Liabilities

This category pertains to financial liabilities that are not held for trading or not designated at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

The liabilities are recognized initially at fair value and are subsequently carried at amortized cost.

*Included under this category are the Company's accounts payable.*

#### Capital Deficiency

*Share capital is classified as equity.*

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Related Parties

Parties are considered as related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are based on terms similar to those offered to non-related parties.

#### Income Tax

##### Current tax

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the statements of financial position date. They are calculated according to tax rates and tax laws applicable to fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the income statement.

Currents tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the date of statement of financial position.

##### Deferred Income Tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is



probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits form excess credits and unexpired NOLCO can be utilized.

Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Events After the End of the Reporting Period

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

Any post year-end up to the date of approval of the Board of Directors (BOD) of the financial statements that provides additional information about the Branch's position at the end of reporting date (adjusting event) is reflected in the financial statements. Any post year-end event that is not an adjusting event is disclosed in the notes to the financial statements, when material.

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#### **4. Significant Judgment and Estimates**

The preparation of the financial statements in compliance with PFRS for SMEs requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Judgments*

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:



*Classification of financial instruments*

The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

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**5. Trade and Other Receivables**

This account consists of Advances to SCP amounting to ₱0.00 and ₱175,941 as of December 31, 2018 and 2017, respectively.

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**6. Prepayments and Other Current Assets**

This account consists of:

	2018	2017
Value-added input taxes	₱ 112,445	₱ 80,494
Deferred Input Vat	5,610	-
Deferred Tax Asset - NOLCO	65,215	-
	₱ 183,270	₱ 80,494

The Company has no value-added output taxes declaration. Thus, any remaining balance of value added input taxes resulting from purchase of services is presented as part of other current assets at the end of the reporting period.

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**7. Trade and Other Payables**

This account consists of:

	2018	2017
Accounts Payable	₱ 167,960	₱ 10,000
Income Tax Payable	-	33,284
	₱ 167,960	₱ 43,284

Accounts payable refers to professional fees outstanding as of the period.

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**8. Share Application Money Pending Allotment**

Share application money pending allotment amounted to ₱389,174 for both years ended December 31, 2018 and 2017. The transaction is purely relating to equity contribution made by Coromandel International Limited in Sabero Organics Philippines Asia Inc.

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**9. Revenue**

This account consists of Commissions Income received from Coromandel Intl Ltd. amounting to ₱452,217 and ₱1,664,181 for the year ended December 31, 2018 and 2017, respectively.

#### 10. General and Administrative Expenses

This account consists of:

	2018	2017
Professional Fees	P 470,441	P 280,000
Miscellaneous	22,374	51,000
Input Vat Expense	-	133,261
Licenses and Permits	217,912	687,960
	P 710,727	P 1,152,221

#### 11. Financial Expenses

This account consists of:

	2018	2017
Foreign Exchange Loss (Income)	P 4,444	P 13,884
Bank Charges	55	150
	P 4,499	P 14,034

#### 12. Share Capital

The details of the Company's equity are as follows:

	2018	2017
Equity:		
Balances as at beginning of year (Paid up Capital)	P52,000	P52,000
Balances as at end of year (Paid up Capital)	P52,000	P52,000

As of December 31, 2017 and 2016, the Company's subscribed capital is P80,000 and paid up capital of P52,000, consists of shares with par value of P100 each, held as follows:

Shareholders	No. of Shares	Amount	% of Holding	Amount Paid
1 Coromandel International Limited	318	P31,800	40	P31,800
2 Sankara Subramanian	1	100	-	100
3 Veerabhadram Garimella	1	100	-	100
4 Neil U. Sison	160	16,000	20	6,600
5 Alina C. Sison	160	16,000	20	6,600
6 Mary Claire C. Cinco	160	16,000	20	6,600
Total	800	P80,000	100	P52,000



On July 8, 2017, the Board of Directors has approved the increase in the authorized capital stock amounting One Million One Hundred Twenty Thousand Pesos (Php 1,120,000.00) divided into Eleven Thousand Two Hundred (11,200) shares with a par value of One Hundred Peso (Php 100) per share.

At the time of said stockholders' meeting, the stockholders listed below held the number of shares and amount subscribed set forth opposite their names:

Shareholders	No. of Shares	Amount Subscribed	% of Holding	Amount Paid
Coromandel International Limited	3892	₱389,200	40	₱389,200
Srikanthan Srinivasan	0	0	—	0
Jayashree Satagopan	0	0	—	0
Neil U. Sison	1948	194,800	20	48,600
Alina C. Sison	1948	194,800	20	48,700
Mary Claire C. Cinco	1942	194,200	20	48,615
<b>Total</b>	<b>9730</b>	<b>₱973,000</b>		<b>₱535,115</b>

Out of the increase of One Million One Hundred Twenty Thousand Pesos (Php 1,120,000.00) in capital stock, Nine Thousand Seven Hundred Thirty pesos (9,730) shares with a total par value of Nine Hundred Seventy -Three Thousand Pesos (Php 973,000) will be subscribed.

All the other stockholders of the Corporation have waived their pre-emptive rights to subscribe to this increase in favor of the Corporation.

The reason for the increase in the authorized capital stock is to finance the operations of the Corporation. To date the increase of capitalization is still on process with the Security Exchange Commission (SEC).

That no bonded indebtedness has been created, incurred or increased as of the date of the meetings of the stockholders and of the Board of Directors on July 8, 2017; furthermore, the Corporation does not have any actual indebtedness as of July 8, 2017.

### **13. Supplementary Information Required in Taxes and Licenses under Revenue Regulations No. 15-2010 (RR No. 15-2010)**

On November 25, 2010, the BIR promulgated Revenue Regulation No. 15-2010 prescribing additional information on taxes, duties and license fees paid or accrued during the taxable year to be disclosed.

#### **Value Added Tax Output (VAT Output)**

The Company has no VAT Output declarations during the year.

#### **Value Added Tax (VAT) Input**

The amount of VAT Input taxes claimed is broken down into:



		Domestic purchases of services
Balances as at		
January 1, 2018		₱80,494
Current year VAT Input		31,950
Balances as at		
December 31, 2018		₱112,445

#### *Withholding Taxes*

The Company has not accrued nor paid any withholding taxes in 2018.

#### *Other Taxes*

The Company has paid taxes in 3<sup>rd</sup> quarter 2018.

#### *Licenses*

The company has licenses fees paid in 2018 amounting to ₱217,912.

#### *Net Operating Loss Carry-over*

The details of the Company's NOLCO that can be claimed as deduction from normal taxable income and against regular corporate income tax due and their respective availment period are as follows:

NOLCO									
Year Incurred	Amount	Non-deductible expense	Applied in previous year	Expired in current year	Applied in Current Year	Balance	Available Until		
2018	₱ 263,009	₱ 168,441	₱ -	₱ -	₱ -	₱ 94,568	2021		
2017	-	-	-	-	-	-	-		
2016	209,000	-	-	-	209,000	-	2019		
2015	484,993	234,640	-	-	250,353	-	2018		
2014	104,241	-	-	-	104,241	-	2017		
	₱ 1,061,243	₱ 403,081	₱ -	₱ -	₱ 563,594	₱ 94,568			

The company recognized deferred tax asset on NOLCO, from prior years, amounting to ₱0.00 and ₱169,078 for the year ended December 31, 2018 and 2017, respectively.

#### *Statement on Disclosure of Supplementary Information*

The additional information discussed above on taxes and licenses is presented as compliance with the requirement of BIR and is not a required part of the basic financial statements. Said information has been subjected to the auditing procedures performed in our audit with applied materiality to the basic financial statements taken as a whole.



#### 14. Income Taxes

This account consists of current income tax expense amounting to ₱9,044 and ₱33,284 for the year ended December 31, 2018 and 2017, respectively.

Net Taxable Income before Difference:	(263,009)	497,927
Add: Non-deductible Expenses		
Expenses from PPA	168,441	
Input Vat Expense		133,261
Less: Non-taxable Income		
NOLCO Applied		563,594
Net Taxable Income after Differences	(94,568)	67,593
Income Tax Due (30%)	₱ -	₱ 20,278

#### Computation under MCIT

	2018	2017
Gross Income	452,217	1,664,181
MCIT Rate	2%	2%
MCIT Due	₱ 9,044	₱ 33,284

#### Computation of Income Tax Payable

	2018	2017
Income Tax Still Due (Normal or MCIT whichever is higher)	₱ 9,044	₱ 33,284