



BILCARE GCS, INC.
FINANCIAL STATEMENTS
March 31, 2024 and 2023



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Bilcare GCS, Inc.
Dover, Delaware

We have reviewed the accompanying financial statements of Bilcare GCS, Inc. (a Delaware corporation), which comprise the balance sheets as of March 31, 2024 and 2023, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Bilcare GCS, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying supplementary information included in Exhibit I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Albany, New York
May 6, 2024

Staff Ciarpino & Long, P.C.



BILCARE GCS, INC.
BALANCE SHEETS
March 31, 2024 and 2023

<u>ASSETS</u>		
	2024	2023
CURRENT ASSETS		
Cash	\$ 270,787	\$ 239,203
Accounts receivable	359,148	1,838,722
Prepaid expenses	868	794
Advances to vendors, less allowances for advances to vendors of \$ -0- and \$ 468,050 for 2024 and 2023, respectively.	3,358	37,173
Total current assets	634,161	2,115,892
TOTAL ASSETS	\$ 634,161	\$ 2,115,892
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
	2024	2023
CURRENT LIABILITIES		
Accounts payable	\$ 199,163	\$ 1,728,715
Accrued expenses	33,929	59,000
Customer deposits	8,229	5,809
Income taxes payable	16,869	9,428
Total current liabilities	258,190	1,802,952
STOCKHOLDERS' EQUITY		
Common stock- 200 shares no par value authorized, 200 shares issued and outstanding at \$1 stated value	200	200
Retained earnings	375,771	312,740
Total stockholders' equity	375,971	312,940
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 634,161	\$ 2,115,892

See accompanying notes and independent accountants' review report.



BILCARE GCS, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
For the Years Ended March 31, 2024 and 2023

	<u>2024</u>	<u>%</u>	<u>2023</u>	<u>%</u>
SALES	\$ 1,674,720	100.00	\$ 3,461,041	100.00
COST OF SALES				
Purchases	<u>1,325,236</u>	<u>79.13</u>	<u>3,190,180</u>	<u>92.18</u>
GROSS PROFIT	349,484	20.87	270,861	7.82
OPERATING EXPENSES	<u>269,584</u>	<u>16.10</u>	<u>226,384</u>	<u>6.54</u>
INCOME FROM OPERATIONS BEFORE INCOME TAXES	79,900	4.77	44,477	1.28
PROVISION FOR INCOME TAXES	<u>16,869</u>	<u>1.01</u>	<u>9,428</u>	<u>0.27</u>
NET INCOME	63,031	<u>3.76</u>	35,049	<u>1.01</u>
RETAINED EARNINGS - BEGINNING OF YEAR	<u>312,740</u>		<u>277,691</u>	
RETAINED EARNINGS - END OF YEAR	<u>\$ 375,771</u>		<u>\$ 312,740</u>	

See accompanying notes and independent accountants' review report.

BILCARE GCS, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 63,031	\$ 35,049
Adjustments to reconcile net income to net cash provided by operations:		
(Increase) decrease in:		
Accounts receivable	1,479,574	(470,976)
Prepaid expenses	(74)	(794)
Advances to vendors	33,815	(20,988)
Increase (decrease) in:		
Accounts payable	(1,529,552)	565,115
Accrued expenses	(25,071)	15,400
Customer deposits	2,420	(48,948)
Income taxes payable	7,441	(8,404)
Net cash provided by operating activities	31,584	65,454
NET INCREASE IN CASH	31,584	65,454
CASH AT BEGINNING OF PERIOD	239,203	173,749
CASH AT END OF PERIOD	\$ 270,787	\$ 239,203

SUPPLEMENTAL DISCLOSURES

INCOME TAXES PAID		
Provision for income taxes per statements of operations and retained earnings	\$ 16,869	\$ 9,428
Adjustments related to income taxes payable	(7,441)	8,404
TOTAL INCOME TAXES PAID	\$ 9,428	\$ 17,832

See accompanying notes and independent accountants' review report.

BILCARE GCS, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2024 and 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Bilcare GCS, Inc. (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

NATURE OF OPERATIONS

Bilcare GCS, Inc. offers a full spectrum of services across the supply chain, from pre-formulation to global logistics and distribution, comparator procurement, depot management, clinical packaging and labeling. Regulatory and analytical services are some of the Company's critical areas of expertise. Bilcare GCS, Inc. partners with over 25 strategic GMP Compliant Depots across the globe. Bilcare GCS, Inc. implements some of the best storage and distribution practices in the Clinical Supply industry. The Company is a corporation that was organized and began business in Dover, Delaware on May 26, 2015.

USE OF ESTIMATES

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the recorded amounts of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents as of March 31, 2024 and 2023.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

FOREIGN CURRENCY TRANSLATION

The functional currency of the Company is in U.S. dollars. Monetary assets and liabilities are all denominated in U.S. dollars. Expenses are translated at the exchange rates in effect at the date of the transaction. For the year ended March 31, 2024 the Company had realized translation gains of \$ 1,049 and losses of \$ 6,319. For the year ended March 31, 2023 the Company had realized translation gains of \$ 7,877 and losses of \$ 9,782. These translation gains and losses have been included in cost of goods sold.

ACCOUNTS RECEIVABLE

The balance in accounts receivable is considered by management to be fully collectible, and accordingly, no allowance for credit losses is required. If in the future, management determines that amounts may be uncollectible, an allowance will be established and operations will be charged when that determination is made. Bad debt expense totaled \$ -0- and \$ -0- for the years ended March 31, 2024 and 2023, respectively.

BILCARE GCS, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2024 and 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ALLOWANCES FOR CREDIT LOSSES

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

We adopted the standard effective April 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

ADVANCES TO VENDORS

The Company advances funds to certain vendors in the normal course of business for prepayment of goods. As of March 31, 2024 and 2023 the Company had advanced funds of \$ 3,358 and \$ 505,224, respectively. Management has established an allowance for advances to vendors in the amount of \$ -0- and \$ 468,050 as of March 31, 2024 and 2023, respectively (See Note (6)).

INVENTORY

The Company's inventories are recorded at the lower of cost or net realizable value. There were no inventories on hand at March 31, 2024 and 2023.

INCOME TAXES

The provision for income taxes includes the tax effects of transactions reported in the financial statements and consists of taxes currently due or refundable plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. These differences related primarily to operating loss tax benefits. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

REVENUE RECOGNITION

Sales are recognized when revenue is realized or becomes realizable and has been earned. In general, revenue is recognized when the earnings process is complete, which is upon shipment of products. The shipment of products is a single performance obligation and is satisfied at a point in time once the performance obligation is met.

The company has recognized the following pertaining to its revenue recognition policies:

	April 1, 2022	March 31, 2023	March 31, 2024
Accounts receivable	\$ 1,367,746	\$ 1,838,722	\$ 359,148
Advances to vendors	\$ 16,185	\$ 37,173	\$ 3,358
Customer deposits	\$ 5,809	\$ 5,809	\$ 8,229

BILCARE GCS, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2024 and 2023

(2) UNCERTAIN TAX POSITIONS

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its shareholders will not be subject to additional tax, penalties, and interest as result of such a challenge. Generally, the Company's tax returns remain open for three years for the federal income tax examination and various years for state taxing authorities.

(3) RELATED PARTY TRANSACTIONS

During the years ended March 31, 2024 and 2023, the Company incurred sales incentive expense of \$ -0- and \$ 33,028, respectively, to Bilcare Limited. These amounts are based on business performance and are paid to the sales staff from Bilcare Limited.

During the years ended March 31, 2024 and 2023, the Company incurred consulting fees of \$ 100,000 and \$ -0-, respectively, to Bilcare Mauritius Limited (BML).

The Company has a Cost Sharing Agreement with Bilcare Limited and Bilcare GCS Ltd., UK. In line with said agreement, for the years ended March 31, 2024 and 2023, the Company has reimbursed Bilcare Limited in the amounts of \$ 117,211 and \$ 49,224, respectively as management fees as well as \$ -0- and \$ 21,380 as logistics cost reimbursements, respectively.

Included in accounts payable at March 31, 2024 and 2023, were amounts owed to Bilcare Limited of \$ 61,424 and \$ 34,390, respectively.

Included in accounts payable at March 31, 2024 and 2023, were amounts owed to Bilcare GCS Limited, UK of \$ 952 and \$ -0-, respectively.

(4) INCOME TAXES

Federal and state income taxes are accrued at the end of each year in accordance with applicable income tax laws.

A summary of the income taxes reported in this statement is as follows:

	<u>2024</u>	<u>2023</u>
<u>Provision</u>		
Current		
Federal	\$ 16,869	\$ 9,428
<u>Deferred</u>		
Federal	<u>-0-</u>	<u>-0-</u>
Total provision for income taxes	<u>\$ 16,869</u>	<u>\$ 9,428</u>

BILCARE GCS, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2024 and 2023

(5) STOCKHOLDERS' EQUITY

On May 26, 2015, the Company issued 100 shares of common stock, to the parent company, Bilcare Limited, in exchange for \$ 1,000 receivable.

On January 4, 2021, the above common stock was cancelled and the Company issued 200 new shares of common stock at \$ 1 stated value to Bilcare Mauritius Limited.

On December 18, 2023, the above common stock was transferred at face value by Bilcare Mauritius Limited (BML) to Bilcare Limited as part of the liquidation proceeds as BML has been liquidated through a shareholder's voluntary liquidation. There was no purchase consideration paid by Bilcare Limited. The above common stock was cancelled and the Company issued 200 new shares of common stock at \$ 1 stated value to Bilcare Limited.

(6) CONTINGENCIES

During the year ended March 31, 2017, the Company advanced funds to Spring Bio Solutions in the amount of \$ 468,050. The Company initiated litigation with Spring Bio Solutions in New York Courts due to the failure of Spring Bio Solutions to deliver the goods as promised. After exhausting all efforts through discussions with Spring Bio Solutions and through New York Courts, management made the determination that this amount is not collectible. Management had established an allowance for the full amount as of March 31, 2021. As of March 31, 2024 the case against Spring Bio Solutions in the New York Courts is closed as per the order of New York Court dated May 17, 2023. Therefore, both the allowance and the receivable from Spring Bio Solutions have been eliminated for the year ended March 31, 2024.

(7) COMPARATIVE FIGURES

Certain 2023 figures have been reclassified to conform with the 2024 presentation. These changes had no effect on prior year results of operations, financial position or cash flows.

(8) SUBSEQUENT EVENTS

Management considered and evaluated the nature of any subsequent events through May 6, 2024, which is the date that the financial statements were available to be issued, and believes there is nothing of significance to report.

SUPPLEMENTARY FINANCIAL INFORMATION



BILCARE GCS, INC.
SUPPLEMENTARY FINANCIAL INFORMATION
For the Years Ended March 31, 2024 and 2023

EXHIBIT I - SCHEDULES OF OPERATING EXPENSES

	2024	%	2023	%
Professional fees	\$ 125,805	7.51	\$ 21,174	0.61
Management fees	117,211	7.00	49,224	1.42
Selling expenses	14,528	0.87	67,831	1.96
Bank service charges	8,579	0.51	5,117	0.15
Insurance expense	2,501	0.15	3,635	0.11
Travel	530	0.03	-	0.00
Fines and penalties	430	0.03	420	0.01
Markup	-	0.00	78,983	2.28
TOTAL OPERATING EXPENSES	\$ 269,584	16.10	\$ 226,384	6.54

See independent accountants' review report.