

FYVE ELEMENTS LLC

FINANCIAL STATEMENTS

12/31/2018

SAMYCPA, LLC
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SamyCPA, LLC

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors and Shareholders of
FYVE Elements LLC**

Jessup, MD 20794-9602

We have audited the accompanying financial statements of FYVE Elements, LLC a State of Maryland Limited Liability Corporation, which comprise the balance sheet as of December 31, 2018, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatements of the financial statements, whether due to fraud or error.

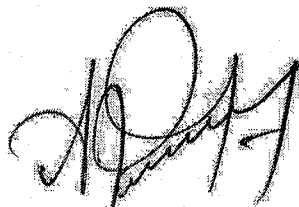
SamyCPA, LLC

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FYVE Elements, LLC as of December 31, 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Kandasamy Ayyappan, CPA

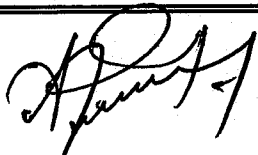
18th, February 2019

**STATEMENT OF ASSETS AND LIABILITIES
FOR THE PERIOD ENDED DECEMBER 31,2018**

<u>ASSETS</u>	<u>Amount(\$)</u>
<u>Current Assets :</u>	
Cash and Bank Balances	299,775.59
Accounts Receivable,net	1,416,259.34
Inventory,Net	1,703,982.36
Total Current Assets	<u>\$ 3,420,017.29</u>
<u>Property and Equipment (Net of Accumulated)</u>	
	<u>\$ 38,625.42</u>
<u>Other Assets :</u>	
Security Deposit	39,971.98
Prepaid Expenses	30,240.48
Rent & other advance	68,620.89
Total Other Assets	\$ 138,833.35
TOTAL ASSETS	<u>\$ 3,597,476.06</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	
<u>Current Liabilities :</u>	
Accounts Payable	1,410,180.67
Interest Payable	17,352.49
Others	1,706.23
Total Current Liabilities	<u>\$ 1,429,239.39</u>
Long Term Liabilities:	
Responsibility Trade Fund	<u>\$ 1,675,000.00</u>
<u>Stockholders' Equity :</u>	
Common Stock	200,000.00
Additional Paid in capital	440,000.00
Retained Earnings	(146,763.33)
Total Stockholders Equity	<u>\$ 493,236.67</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 3,597,476.06</u>

The accompanying disclosure are an integral part of these statements.

S.R. Reddy


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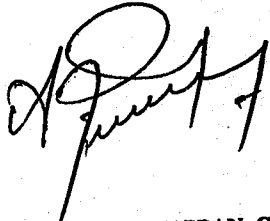
FYVE ELEMENTS LLC
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD FROM JAN 01,2018 TO DEC 31,2018
(See Independent Accountants' Audit report)

Sales	\$	<u>8,640,416.23</u>
Cost of Sales		
Labor & Overhead	\$	7,173,457.81
Total Cost of Sales	\$	<u>7,173,457.81</u>
Gross Profit	\$	<u>1,466,958.42</u>
General, Sales, Administrative Expenses	\$	832,038.53
Rent	\$	336,419.61
Loss on sale of Vehicles	\$	-
Total Operating Expense	\$	1,168,458.14
Net Income from Operations before Depreciation	\$	<u>298,500.28</u>
Amortization	\$	4,600.00
Depreciation	\$	20,865.00
Interest	\$	190,859.61
Total Other Expenses	\$	216,324.61
Net Profit/(Loss) before Tax	\$	<u>82,175.67</u>
Tax Accrual	\$	-
Net Profit/(loss) after tax	\$	<u>82,175.67</u>

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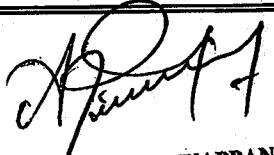
FYVE ELEMENTS LLC
STATEMENT OF CHANGES IN RETAINED EARNINGS
FOR THE PERIOD FROM JAN 01,2018 TO DEC 31,2018
(See Independent Accountants' Audit report)

Retained Earnings-Beginning	\$ (228,939.00)
Net Income	82,175.67
Dividend Distribution	-
Retained Earnings-Ending	<u>\$ (146,763.33)</u>

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FYVE ELEMENTS LLC
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED DECEMBER 31,2018

OPERATING ACTIVITIES

Net Income	\$	82,175.67
Net Cash Provided by Operations:		
Accounts Receivable	\$	(14,812.34)
Inventory	\$	286,820.64
Accounts Payable	\$	(301,756.33)
Loan Account	\$	8,627.80
Security Deposit	\$	(6,005.68)
Interest Payable	\$	16,314.98
Expenses payable	\$	1,213.38
Prepaid Expenses	\$	9,330.85
Others	\$	(2,699.76)
Round off	\$	(0.07)
Net Cash Provided by Operating Activities	\$	(2,966.53)

INVESTING ACTIVITIES

Accumulated Depreciation	\$	20,865.00
Equipment	\$	(6,976.00)
Accumulated Amortization	\$	4,600.00
Net Cash Provided by Investing Activities	\$	18,489.00

FINANCING ACTIVITIES

Responsibility Trade Fund	\$	(25,000.00)
Common Stock	\$	-
Net Cash provided by Financing Activities	\$	(25,000.00)
Cash at beginning of Period	\$	227,077.45
Cash at end of Period	\$	299,775.59

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FYVE ELEMENTS LLC
STATEMENT OF COST OF SALES, GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE PERIOD FROM JAN 01, 2018 TO DEC 31, 2018

(See Independent Accountants' Audit report)

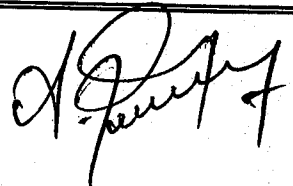
Cost of Sales	
Gross Payroll	813,104.16
Cost of Good sold	\$ 6,295,352.69
Payroll Taxes	65,000.96
	\$ 7,173,457.81

General, Sales, Administrative Expenses

Advertisement	5,287.09
Automobile	59,165.09
Bad Debts write off	26,605.33
Bank Charges	6,755.42
FDA Charges	36,996.05
Handling and Shipping Charges	230,247.25
Insurance	42,591.66
Office Expenses	12,338.84
Payroll Processing Fee	8,223.58
Postage	1,133.30
Printing and Stationary	685.99
Lab-Testing Charges	1,210.75
Licence and fee	300.00
Legal and professional fee	16,490.11
Moving Expenses	15,263.97
Repair and Maintenance	3,130.26
Retirement Plan	13,207.91
Sales Commission	62,448.48
Software Expenses	12,504.94
Sales Discount	69,494.66
Office Supplies	15,247.08
Warehouse Supplies	35,653.85
Lease Expense & Rental Equipment	95,768.62
Telephone	11,654.91
Taxes	2,944.48
Misc. Expenses	1,740.90
Travel & Entertainment	21,652.17
Utilities	23,295.84
	\$ 832,038.53

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FYVE ELEMENTS LLC

Notes to Financial Statements

December 31, 2018

Note 1- Nature of Business:

FYVE Elements LLC was incorporated on November 30, 2012 under the laws of the State of Maryland. (100% Wholly Owned subsidiary of Sresta Natural Bio products Private Ltd., India). Their main business is Whole-Sale retail distribution of Food products and related items, covering whole of USA

Note 2- Summary of Significant Accounting Policies

a) Accounting Policies

Accounting policies of the company confirm with U.S generally accepted accounting principles and reflect practices appropriate to the industry in which they operate. The significant policies are summarized in the Company's annual report to the Board of Directors. These policies have been consistently applied during the period presented in this report. The company's book are maintained on the accrual basis of accounting.

b) Revenue Recognition

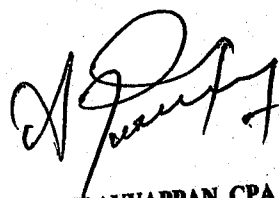
Revenue is recognized when sales are made.

c) Accounts Receivable

Accounts receivable are stated at actual since the Company utilizes the direct write -off method for bad debts. The direct write-off method recognizes a bad debt expense only when a specific account is determined to be uncollectable. Management had determined that there were no uncollectable accounts receivable as of December 31, 2018

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d) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

e) Concentration of credit risk

Financial instruments, which potentially subject the Company Concentrations of credit risk, include cash. The Company holds collateral for this financial instrument. The Company places its available funds into high creditworthy financial institution.

f) Fair value of financial instruments

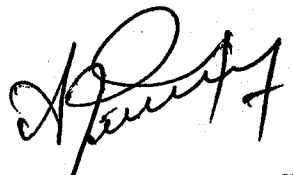
The Company's financial instruments consist primarily of cash. The Company considers the book values of these instruments to be indicative of their respective fair values.

g) Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the Modified Accelerated Cost Recovery Systems for both financial reporting and federal income tax purposes at rates based on the following estimated useful lives.

	<u>Years</u>
Office Equipment and Computer Equipment	5.7
Transportation Equipment	5

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Note 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

g) Property and Equipment (Cont.)

Expenditures for major renewals and betterments that extend the Useful lives of the equipment are capitalized. Expenditure for maintenance and repairs are charged to expenses as incurred.

Cost of Property and equipment is summarized as follows:

	12/31/18
Warehouse Equipment & others	\$143,934.26
Furniture & Fixtures	2,654.06
Computer and Office equipment	20,755.88
Transportation equipment	5959.04
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Total Costs	173,303.24
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Less: Accumulated Depreciation	\$134,677.82
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Net Property and Equipment	\$38,625.42
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Depreciation expenses totaled \$20,865 for the period from 01/01/18 to 12/31/18.

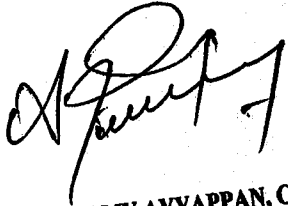
Note 3- Related Party Transactions:

Sresta Natural Bio Products Pvt Ltd, India had supplied goods to the tune of \$3,930,123.85 for the period from January 2018 to December 2018.

Note 4- Notes payable

There is a long term loan payable to Responsibility trade fund for the amount of \$1,675,000/-

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Note 5- Lease commitments:

The company entered an operating lease its office and warehouse space located at 8268 Preston Court, Suite # G and H Jessup, MD 20794 Company has leased 2 units .The future minimum lease payment under this lease are as follows:

Unit : 8268

Year ending December 31,

Year 1 (2019)	\$129,118.00
Year 2 (2020)	\$143,203.60
Year 3 (2021)	\$147,141.70
Year 4 (2022)	\$151,188.10
Year 5 (2023)	\$155,345.77
Year 6 (2024)	\$159,617.78
Year 7 (2025)	\$164,007.27

Branch office: 425 Meyer Road, Bensenville, IL 60106

Year ending December 31,

Year 1 (2019)	\$147,922.44
Year 2 (2020)	\$38,109.30

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