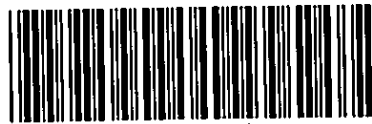


**Company Registration No. 02665200 (England and Wales)**

**ECO ANIMAL HEALTH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2025**

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**ECO ANIMAL HEALTH LIMITED**  
**COMPANY INFORMATION**

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**Directors** David Hallas  
Andrew Buglass  
Christopher Wilks

**Secretary** Christopher Wilks

**Company number** 02665200

**Registered office** The Grange  
100 High Street  
London  
United Kingdom  
N14 6BN

**Bankers** NatWest Bank plc  
Tooting Branch  
30 High Street  
London  
SW17 0RG

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# ECO ANIMAL HEALTH LIMITED

## STRATEGIC REPORT

The Directors present their Strategic Report of ECO Animal Health Limited ("the Company") for the year ended 31 March 2025

### Financial review

Sales in the year to 31 March 2025 decreased by 17.7%

Adjusted EBITDA (Earnings before interest, tax, depreciation, amortisation and impairment) is considered by the Directors to be one of the Company's principal non-GAAP key performance indicators. This is because the Company is required to amortise its drug registration costs even though the Directors believe there is no impairment to their value, and it provides a good indication of the underlying cash trading performance of the business. EBITDA decreased by 45.6% to £4.1m

### Key performance Indicators

The key performance indicators ("KPIs") for the Company are those that communicate the financial performance and strength of the Company to shareholders

A summary of the KPIs is as follows

	Notes	2025 £000's	2024 £000's
<b>Financial indicators</b>			
Revenue		46,790	56,844
Gross profit		17,249	20,056
Gross margin %		36.9%	35.3%
Profit / (Loss) before income tax		847	5,005
Adjusted EBITDA	2, 25, 4	4,104	9,001

### Risks and Uncertainties

The Board has updated the risk register during the year with the assistance of senior managers to help understand existing and emerging risks 'on the ground'. Whilst risks can come in various forms, including financial, regulatory and operational, the updated risk register highlights principal risks. The likelihood and impact associated with each risk is assessed and relevant control mitigations are considered. The board considers that the following principal risks and uncertainties could affect the Company's performance

Risk	Controls
<b>Strategic High reliance on a small number of outsourced product, manufacturing and research suppliers</b>	<ul style="list-style-type: none"> <li>Ongoing search for second source of key active ingredient</li> <li>Entering into new agreements with outsourced manufacturers</li> <li>Global reach and strong reputation allowing new collaboration arrangements with research organisations</li> <li>Stockpiles of key supplies</li> <li>Commercial mindset allowing fruitful relationships with existing suppliers</li> <li>Quality control inspection of outsourced manufacturers Business interruption insurance</li> </ul>

**ECO ANIMAL HEALTH LIMITED**  
**STRATEGIC REPORT (continued)**

<p><b>High dependency on a single product</b></p>	<p>Substantial programme of structured R&amp;D investment in new vaccine and biological products</p> <p>Ongoing spend on maintaining the quality and effectiveness of existing products</p>
<p><b>Potential threat from generic producers</b></p>	<p>Generic defence strategy – combining strong brand management, regulatory and legal stance in country with patent and trademark infringement enforcement</p> <p>Aivlosin® technical superiority supported by market leading technical knowledge and strain characterisation</p> <p>Ensure adequate supply and stock pressure in markets</p> <p>Product diversification initiatives</p>
<p><b>Readiness and market appetite for launch new vaccine products portfolio</b></p>	<p>Commercially trained staff Ensure trials accurately predict the performance of the product in the marketplace Marketing team close to the market statistics and as close to market intelligence as it is possible to be High calibre staff recruited Use of only reputable and well established laboratories and subcontractors</p>
<p><b>Political &amp; economic unpredictability</b></p>	<p>The Group looks at developing manufacturing capability outside China, a geographically-diversified customer base, investment in maintaining veterinary efficacy and effective marketing to ride out the trading difficulties imposed by political and economic unpredictability, search for opportunities to diversify manufacturing arrangements</p>
<p><b>Risk of fraud and depletion of Group funds</b></p>	<p>Enhanced corporate governance Implementing robust systems and controls Keep international cash balances to a minimum Daily/weekly monitoring of all bank account cash balances with explanations for material increases and depletions of balances</p> <p>Change overseas local bank accounts to international banks with internet access Continuation of Internal Audit programme, with a particular focus on LATAM and China</p>
<p><b>Insufficient funding for business growth</b></p>	<p>Strong budgeting and in-year reporting structures are in place, with robust cashflow and working capital management arrangements Credit control is an integral part of customer relationships Revolving credit facility (RCF) in place with the bank</p>

# ECO ANIMAL HEALTH LIMITED

## STRATEGIC REPORT (continued)

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### **Growth of existing product portfolio**

The Company prioritises sales and development activities for existing products. Third party distributors are used to contain costs, recognising that this approach does lead to margin sacrifice for the Company. The cost base is managed to reflect achievable growth rates particularly when individual markets experience slowdowns. In all markets, Key Account management frameworks are adopted with major producers. The primary competitive targets for our portfolio are branded, well-established, first-generation products, we concentrate on the additional value added by our products.

### **Focus on investment in R&D**

The Company's R&D investment is focused on several late, mid and early-stage projects, with sustained investment in late – stage vaccine assets during the year. These collectively provide a balanced mix of well-established concepts and novel technologies and approaches. This investment in R&D staff and the pipeline is expected to accelerate and expand the product portfolio, introducing vaccines and other preventative treatments in pigs and poultry. It will also support the expansion of the search for new products in collaboration with leading universities and research institutions, where an exclusive position with worldwide commercial rights can be obtained. In March 2025, ECO submitted its first EU vaccine Marketing Authorisation Application to the European Medicines Agency for ECOVAXXIN MS, a poultry vaccine targeting *Mycoplasma Synoviae*. This represented a significant R&D milestone, with commercial launch targeted for 2026.

### **Licensing and acquisition**

The Company seeks to both license-in new products for pigs and poultry and to diversify by acquisition to complement our organic growth and provide enhanced product portfolio breadth in core markets.

### **Skilled people**

The Company has highly professional, experienced and committed people throughout the business. Our strategy is to build on this core strength and to continue to develop an organisational culture that attracts and rewards top talent in a company that offers career challenge and opportunity.

### **Trading update and outlook**

Previous years have seen a pattern of stronger trading in the second half of the year. This is associated with disease prevalence in pigs during the northern hemisphere winter. This pattern of trading has continued in the year ended 31 March 2025. Production and operational efficiencies are being driven by the leadership team and this is expected to support margins going forward. The R&D programme continues to provide considerable excitement and game-changing future product flow is confidently expected. Despite the challenges from continuing sporadic African swine fever outbreaks and commodity price pressures, the Directors are cautiously optimistic for the remainder of this financial year and views the future with confidence.

**ECO ANIMAL HEALTH LIMITED**  
**STRATEGIC REPORT (continued)**

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**Section 172 Statement**

Under s172 of the Companies Act 2006, company directors have a duty to act in good faith that is likely to promote the success of the Company. This duty is for the benefit of the members as a whole, having regard to the likely consequences of decisions for the long term. In addition, the directors' duty must have regard to

- a The likely consequences of any decisions in the long term
- b The interests of the Company's employees
- c The need to foster the Company's business relationships with suppliers, customers and others
- d The impact of the Company's operations on the community and the environment
- e The desirability of the company maintaining a reputation for high standards of business conduct, and
- f The need to act fairly as between members of the Company

The Company actively engages with its stakeholders, to ensure we take account of and respond to their interests

The Company is considering other ways to reduce its environmental impact, the Company's business model (largely outsourced manufacturing and research) is low impact. The Company utilises electronic communications and hybrid working patterns which will continue to be exploited, further helping the Company's carbon footprint

**Going concern**

After making appropriate enquiries, the Directors have, at the time of approving the financial statements, formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements



Christopher Wilks  
Director

**ECO ANIMAL HEALTH LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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The Directors present their report and financial statements for the year ended 31 March 2025

**Principal activities and review of the business**

The principal activities of the Company in the year under review were those of manufacturers and suppliers of animal health products. These activities were conducted on a global scale, through a network including both regional and overseas offices.

**Results and dividends**

The results for the year are set out on page 8.

The Directors do not recommend a payment of a dividend for the year (2024: £nil).

**Directors**

The following directors have held office since 1 April 2024:

David Hallas  
Christopher Wilks  
Andrew Buglass

**Research and development activities**

The Company is continually researching into and developing new products and markets. Details of expenditure incurred and written off during the year are shown in the notes to the financial statements. The Company remains committed to obtaining further authorisations of its Avlosin products in other key territories and for additional disease applications, while at the same time expanding its product offering to include vaccines and other biologicals relevant to the swine and poultry markets.

**Going concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Financial instruments**

The Company's accounting policies for financial instruments and strategy for management of those financial instruments are given in note 2.4 to the financial statements.

**Employees**

Applications for employment by disabled persons are given full and fair consideration. When existing employees become disabled, every effort is made to provide continuing employment wherever possible.

**ECO ANIMAL HEALTH LIMITED**  
**DIRECTORS' REPORT (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**Internal financial control**

The Directors are responsible for the Company's system of internal financial control. Internal control systems are designed to meet the particular needs of the Company and the risks to which it is exposed. This provides reasonable, but not absolute, assurance against material misstatement or loss.

**Directors' insurance**

The Company maintains directors' and officers' liability insurance for the benefit of its directors which remained in place at 31 March 2025 and throughout the preceding year.

**Statement of directors' responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to

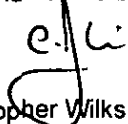
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable,
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors note that the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

On behalf of the board

  
Christopher Wilks  
Director

**ECO ANIMAL HEALTH LIMITED**  
**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £000's	2024 £000's
<b>Revenue</b>		<b>46,790</b>	<b>56,844</b>
Cost of sales		(29,541)	(36,788)
<b>Gross profit</b>		<b>17,249</b>	<b>20,056</b>
Other income	5	4,125	4,554
Administrative expenses		(20,595)	(17,667)
Exceptional items		954	(234)
<b>Profit from operating activities</b>	3	<b>1,733</b>	<b>6,709</b>
Finance income	6	234	18
Finance costs	6	(1,120)	(1,722)
<b>Net finance expense</b>		<b>(886)</b>	<b>(1,704)</b>
Profit / (loss) before income tax		847	5,005
Income tax credit	7	160	460
<b>Profit / (loss) for the year</b>		<b>1,007</b>	<b>5,465</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>1,007</b>	<b>5,465</b>

The Statement of Profit and Loss and Other Comprehensive Income has been prepared on the basis that all operations are continuing operations

The notes on pages 11 to 43 form part of these financial statements

**ECO ANIMAL HEALTH LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2025**

	Share Capital	Contributions from parent	Retained Earnings	Total Equity
	£000's	£000's Restated	£000's	£000's Restated
<b>Balance as at 1 April 2023</b>	-	1,132	(373)	759
Profit for the year	-	-	5,465	5,465
<b>Total comprehensive profit for the year</b>	-	-	5,465	5,465
Contributions from parent	-	286	-	286
<b>Balance as at 31 March 2024</b>	-	<b>1,418</b>	<b>6,092</b>	<b>6,510</b>
Profit for the year	-	-	1,007	1,007
<b>Total comprehensive profit for the year</b>	-	-	1,007	1,007
Contributions from parent	-	239	-	239
<b>Balance as at 31 March 2025</b>	-	<b>1,657</b>	<b>6,099</b>	<b>7,756</b>

The notes on pages 11 to 43 form part of these financial statements

**ECO ANIMAL HEALTH LIMITED****STATEMENT OF FINANCIAL POSITION (Registered number: 02665200)****AS AT 31 MARCH 2025**

	Notes	2025 £000's	2024 £000's
<b>Non-current assets</b>			
Intangible assets	8	23,902	20,438
Property, plant and equipment	9	169	336
Right-of-use assets	10	143	224
Investments	11	3,372	3,372
<b>Total non-current assets</b>		<b>27,586</b>	<b>24,370</b>
<b>Current assets</b>			
Inventories	12	10,644	10,941
Trade and other receivables	13	36,091	30,510
Income tax recoverable		1,129	2,743
Other taxes and social security		159	-
Cash and cash equivalents	14	6,919	5,776
Assets held for sale		-	18
<b>Total current assets</b>		<b>54,942</b>	<b>49,988</b>
<b>TOTAL ASSETS</b>		<b>82,528</b>	<b>74,358</b>
<b>Current Liabilities</b>			
Trade and other payables	15	(72,882)	(65,500)
Provisions		(457)	(486)
Lease liabilities		(81)	(215)
<b>Current liabilities</b>		<b>(73,420)</b>	<b>(66,201)</b>
<b>Net current liabilities</b>		<b>(18,478)</b>	<b>(16,213)</b>
<b>Total assets less current liabilities</b>		<b>9,108</b>	<b>8,157</b>
<b>Non-current liabilities</b>			
Deferred tax	16	(1,296)	(1,580)
Lease liabilities		(56)	(67)
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>7,756</b>	<b>6,510</b>
<b>EQUITY</b>			
Issued share capital	17	-	-
Contributions from parent		1,657	1,418
Retained earnings / (losses)		6,099	5,092
<b>Total equity</b>		<b>7,756</b>	<b>6,510</b>

For the year ended 31 March 2025 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of the accounts.

Approved by the Board and authorised for issue on 9<sup>th</sup> December 2025

  
Christopher Wilks  
Director

The notes on pages 11 to 43 form part of these financial statements

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**1. General information**

Eco Animal Health Limited manufactures and supplies animal health products globally

The Company is incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business is The Grange, 100 High Street, London, United Kingdom, N14 6BN

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts under section 400 of the Companies Act 2006 ("the Act"). These financial statements therefore present information about the Company as an individual undertaking and not about its group. The Company is included within the consolidated accounts of ECO Animal Health Group plc, its parent company, which is registered in England and Wales. The consolidated accounts of ECO Animal Health Group plc are available from Companies House.

For the year ended 31 March 2025, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The Company's parent Eco Animal Health Group plc provides a parent guarantee under section 479C of the Act over the outstanding liabilities of the Company as at 31 March 2025.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary to comply with Companies Act 2006 and has set out below where advantage of FRS 101 disclosure exemptions has been taken.

The Company is a qualifying entity for the purpose of adopting FRS 101 for the preparations of its financial statements.

The preparation of financial statements, in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.1 Basis of preparation (continued)**

The Company has taken advantage of the following exemptions under FRS 101 from the disclosure requirements of the following

- Paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*
- Paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based payment*
- IFRS 7 *Financial instruments Disclosures*
- Paragraphs 91 to 99 of IFRS 13 *Fair value measurement*
- Paragraph 38 of IAS 1 *Presentation of financial statements* – comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1, paragraph 73(e) of IAS 16, 'Property, plant and equipment', and paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period)
- Paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*
- IAS 7 *Statement of cash flows*
- Paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors*
- Paragraph 17 of IAS 24 *Related party disclosures*
- The requirements in IAS 24 *Related party disclosures* to disclose related party transactions between two or more wholly owned members of a group
- The second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*
- Paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 *Leases*
- Paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*

The principal accounting policies of the Company are set out below and have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.2 Adoption of new and revised standards**

No new standards or amendments that became effective in the financial year had a material impact in preparing these financial statements

There are a number of standards and amendments to standards which have been issued by the IASB that are effective in future accounting periods that have not been adopted early

The following standard is effective for annual reporting periods beginning on or after 1 January 2024

- IFRS 17 – Insurance Contracts

The following amendments are effective for annual reporting periods beginning on or after 1 January 2024

- Classification of liabilities as current or non-current (Amendments to IAS 1),
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12),
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16),
- Classification of Financial Instruments (Amendments to IFRS 9),
- Non-current liabilities with covenants (Amendments to IAS 1), and
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The following amendments are effective for annual reporting periods beginning on or after 1 January 2025

- Guidance on the exchange rate to use when a currency is not exchangeable (Amendments to IAS 21),
- Accounting treatment for the sale or contribution of assets (Amendments to IFRS 10 and IAS 28),

The following standards are effective for annual reporting periods beginning on or after 1 January 2026

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7),
- Annual Improvements to IFRS standards 2022-2024 Cycle (covering amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS7)

The following standards are effective for annual reporting periods beginning on or after 1 January 2027

- IFRS 18 Presentation and Disclosure in Financial Statements,
- IFRS 19 Subsidiaries without Public Accountability Disclosures

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed

**2.3 Foreign currency translation**

**(a) Functional and presentational currency**

The Company's functional and presentational currency is British Pounds Sterling. The financial statements are presented in Pounds Sterling rounded to the nearest thousand pounds ("£000's")

**(b) Transactions and balances**

Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rates of exchange ruling at the date of the financial statements

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.3 Foreign currency translation (continued)**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss and Other Comprehensive Income within administration expenses.

Foreign exchange gains and losses that relate to borrowing and cash and cash equivalents are presented in the Statement of Profit and Loss and Other Comprehensive Income within finance income or finance costs.

**2.4 Financial instruments**

**Financial assets**

Financial assets comprise mainly trade and other receivables and cash and cash equivalents in the Statement of Financial Position. These financial assets arise principally from the provision of goods to customers and are measured at amortised cost.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed with reference to historical data adjusted by forward-looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the Statement of Profit and Loss and Other Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company uses forward foreign exchange contracts to manage its currency exposure. Certain foreign currency inflows that would typically be translated to sterling at spot to meet liabilities are sold forward to reduce the Company's exposure to fluctuations in exchange rates. The Company has not opted to use hedge accounting for these instruments, and any changes in fair value are recognised in the Statement of Profit and Loss and Other Comprehensive Income.

**Financial liabilities**

Financial liabilities comprise mainly trade and other payables and bank overdrafts in the Statement of Financial Position. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost in accordance with IFRS 9.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.5 Intangible assets**

**Drug registrations, patents and licences**

IAS 38 – Intangible Assets includes guidance on the accounting for Research and Development expenditure. Such an intangible asset is a resource that is controlled by the entity as a result of past events (for example, purchase or self-creation) and from which future economic benefits (inflows of cash or other assets) are expected. The three critical attributes of an intangible asset are

- Identifiability,
- control (power to obtain benefits from the asset), and
- future economic benefits (such as revenues or reduced future costs)

**Identifiability.** an intangible asset is identifiable when it

- is separable (capable of being separated and sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract), or
- arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations

Development expenditure – whether purchased or self-created (internally generated) is an example of an intangible asset, governed under IAS 38

**Recognition criteria:** IAS 38 requires an entity to recognise an intangible asset (at cost) if, and only if

- it is probable that the future economic benefits that are attributable to the asset will flow to the entity, and
- the cost of the asset can be measured reliably

IAS 38 includes additional recognition criteria for internally generated intangible assets

Expenditure on the research phase of an internal project is expensed as incurred. Expenditure in the development phase of an internal project is capitalised if the entity can demonstrate

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- (b) its intention to complete the intangible asset and use or sell it
- (c) its ability to use or sell the intangible asset
- (d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development

The probability of future economic benefits must be based on reasonable and supportable assumptions about conditions that will exist over the life of the asset

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.5 Intangible assets (continued)**

**Initial recognition: research and development costs**

- Charge all research cost to expense
- Development costs are capitalised only after technical and commercial feasibility of the asset for sale or use have been established. This means that the entity must intend and be able to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits

If an entity cannot distinguish the research phase of an internal project to create an intangible asset from the development phase, the entity treats the expenditure for that project as if it were incurred in the research phase only

**If recognition criteria are not met.**

If an intangible item does not meet both the definition of and the criteria for recognition as an intangible asset, IAS 38 requires the expenditure on this item to be recognised as an expense when it is incurred

**The Company's context of IAS 38**

Since the early start-up stages of the business, the Company has and continues to invest significant expenditure in research and development into new animal treatments and therapies. This has resulted in a significant family of pharmaceutical treatments for pigs and poultry. Branded as Aivlosin®, this product has developed over 20 years into treatments for multiple respiratory and intestinal infections – each of which have separate regulatory and marketing approvals in each target market. The work to bring Aivlosin® from the laboratory to the commercial farm has moved through the classical phases of pharmaceutical development and the Company's R&D model can be described by the following broad phases

- The discovery phase – in vitro, in laboratory
- The proof of concept phase – key efficacy trials in small groups of animals
- The exploratory development phase – optimisation of dose, economic validation
- The full development phase – building the data set for dossier submission
- Submission of an application for regulatory approval
- Marketing and regulatory approval granted – commercial revenue begins

The application of the principles of IAS 38 to the above model is to treat expenditure on R&D as an expense until the likely commercial benefits that will flow from the project can be judged to be highly probable. This means that the technical feasibility (judged by reference to efficacy) must be certain, the economic feasibility (judged by reference to manufacturing methodology, market intelligence, overall programme cost) has to be highly probable and the likelihood of gaining regulatory approval must be judged to be highly probable. The directors consider that capitalisation will generally commence once a project enters the full development phase

In practice, work that is undertaken to build towards regulatory approval for a new treatment claim using Aivlosin® (or other product) or an approval for marketing Aivlosin® in a new geographical market can be viewed as starting at the full development phase and is likely to meet the capitalisation criteria. Costs in relation to some of the Company's more recently announced projects (for example the vaccine collaboration projects) will not initially meet the criteria for capitalisation and will be expensed. Such projects' costs are likely to meet the capitalisation requirements once they are approved internally to commence the full development phase, subject to careful consideration of residual technical feasibility/risk

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.5 Intangible assets (continued)**

The Company's R&D team prepare a technical profile for new products in development, with timings for development activity reflecting the technical challenges that must be overcome in order to obtain a marketing authorisation for the relevant regulator. In turn the R&D team work with the Company's marketing team to develop a business case for a new product by considering a number of additional factors. These additional factors will include local intelligence on the appetite for new products gathered through the Company's global network of existing sales channels, third-party data on the size of potential markets for new products and suitable pricing strategies in the context of potential competitor products.

Amortisation of capitalised expenditure is determined with reference to the point at which regulatory approval is given to the product to which the expenditure relates. For historic periods, the approach adopted has been to amalgamate the expenditure incurred on all projects relating to the same product, since the last regulatory approval and then identify the next nearest regulatory approval given for that product in either the same or a subsequent half-year. Amortisation begins in the half-year following the receipt of regulatory approval. A full six months of amortisation is charged in the first half-year for which costs are amortised.

Where the Company has capitalised costs which relate to multiple products, a proportional method is adopted to determine what ratio of costs capitalised to date should be subject to amortisation. This method first looks at capitalised costs that relate to specific products and identifies the proportion of such costs that are subject to amortisation at the end of any given half-year period. The ratio thus calculated is then applied to those costs that relate to multiple products to determine the portion that should be subject to amortisation.

These approaches have been modified where it is possible to allocate an individual capitalised cost to a single identifiable project. In these cases, the start date for amortisation is the half-year following the half-year period in which the project receives regulatory approval. Where regulatory approval has not been received for a project, the amortisation has not started.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Aivlosin®	5% on cost
Ecomectin	10% on cost
Vaccines	5% on cost
Trademarks and patents	10% on cost

**2.6 Distribution rights**

Distribution rights are recognised at cost and amortised on a straight line basis over their estimated useful economic life of 20 years. They are reviewed for impairment when any indication of potential impairment exists.

**2.7 Property, plant and equipment and depreciation**

Plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	18%-25% on cost
Plant and machinery	10%-20% on cost
Fixtures, fittings and equipment	10%-20% on cost
Motor Vehicles	25% on cost

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.7 Property, plant and equipment and depreciation (continued)**

Freehold land and buildings valuations are measured as a level 3 recurring fair value measurement. The property is professionally valued by a qualified surveyor at least once every three years. Surpluses (which are not reversals of previous deficits) arising from the periodic valuations are taken to other comprehensive income, and deficits (which are not reversals of previous surpluses) are taken to the Statement of Profit or Loss and Other Comprehensive income within administrative expenses. Depreciation is provided at a rate calculated to expense the valuation less estimated residual over the remaining useful life of the building at a rate of 2% per annum on a straight-line basis. Land is not depreciated.

**2.8 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each year end, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the impairment loss if any. The recoverable amount is the higher of its fair value and its value in use. For intangible assets with an indefinite useful life or not available for use, an impairment test is performed at each year end.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the Statement of Profit and Loss and Other Comprehensive Income whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years and no reversal of impairment losses recognised on goodwill.

**2.9 Leasing**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease, which is the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in the section 2.8 for further details.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.9 Leasing (continued)**

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease liabilities include the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (for example, changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.9 Leasing (continued)**

**Recognition exemptions**

The Company applies the short-term lease recognition exemption to its short-term leases, being those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option

The Company also applies the recognition exemption to leases of which the underlying asset is of low value, comprising assets below the Company's capitalisation threshold. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

**Practical expedients**

The Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.10 Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the historical batch price of the principal raw materials and the weighted average cost for other ingredients and other product costs. The cost of finished goods comprises raw materials, packaging costs and sub-contracted manufacturing costs. Net realisable value is the estimated selling price in the ordinary course of business, less any costs which would be incurred in completing the goods ready for sale.

**2.11 Trade receivables**

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Trade receivables are presented net of discounts or other variable consideration adjustments earned, where the expectation and intention is to settle the balance net. Impairment provisions are recognised based on the simplified approach in accordance with IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. See impairment section in section '2.6 Financial instruments' for more details.

**2.12 Investments**

Investments in subsidiaries, associates and joint ventures are stated at cost less impairment in the Company's statement of financial position.

An impairment is recognised in the Statement of Profit and Loss and Other Comprehensive Income when there is objective evidence that the asset is impaired and is measured on the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate adjusted for a risk premium. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised costs would have been had the impairment not been recognised.

**2.13 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held on 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 borrowings in current liabilities in the statement of financial position.

**2.14 Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**2.15 Bank borrowings and loans**

Interest-bearing bank loans and overdrafts are recorded as proceeds are received, net of direct issue costs (which equate to fair value). Finance charges including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

**2.16 Trade payables**

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.17 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation outstanding at the year end and are discounted to present value where the effect is material.

**2.18 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. The Company's revenue is principally derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This point in time is determined with reference to INCO terms with that customer, with control of goods deemed to have transferred as per the relevant INCO terms. The most common terms used by the Company are Carriage, Insurance and Freight ("CIF"), Free On Board ("FOB"), ExWorks ("EXW") and Carriage and Insurance Paid to ("CIP").

- For transactions under CIF and FOB, the revenue is recognised at the point the goods are loaded onto the vessel or aircraft and a bill of lading or airway bill is issued.
- For transactions under EXW, the revenue is recognised at the point the goods are collected from the Company's warehouses or factory.
- For transactions under CIP, the revenue is recognised at the point the goods are loaded on to a truck at the designated point of departure and a loading note is issued.

Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Company. Transaction price is determined by the contract and variable consideration relating to discounts, free goods or volume rebates have been constrained in estimating contract revenue that is highly probable by using the most likely amount method.

The Company's contracts for delivery of goods are less than 12 months, there are no warranties within its sales contracts.

Revenue is recognised when the performance obligation is fulfilled, and the amount can be measured reliably. The performance obligation is fulfilled when control of the goods passes to the customer, which is normally in accordance with Incoterms or receipt by customer. No goods are dispatched on a sale or return basis. Distributors trade on their own account and not as agents.

The Company also receives interest and royalty income, which are recognised on an accrual basis.

**2.19 Pensions**

**Defined Contribution Scheme**

The pension costs charged against operating profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

**2.20 Share-based payments**

The Parent Company issues equity-settled share options to certain employees in exchange for services from those employees. Equity-settled share options are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant.

The fair value determined at the grant date of such equity-settled share options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions (with a corresponding movement in equity).

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.20 Share-based payments (continued)**

Fair value is measured by use of the Black-Scholes model for those options granted with non-market performance conditions. The expected life used in the model has been established based on management's best estimate of the effects of non-transferability, exercise restrictions and behaviour considerations.

In addition, the binomial model has been used to model future market outcomes for those options granted with a market performance condition.

Share-based payment charges are credited to retained earnings.

**2.21 Taxation**

Tax expense for the period comprises current and deferred tax.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the year end. Tax expenses are recognised in the Statement of Profit and Loss and Other Comprehensive Income or statement of comprehensive income according to the treatment of the transactions which give rise to them.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amount in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**2.22 Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.23 Dividend distribution**

Dividends are recorded when they become a legal obligation for the Company.

Final dividend distributions to the Company's shareholders are recognised as liabilities in the financial statements in the period in which they are approved by the Company's shareholders at the AGM. Interim dividends are recognised when they are paid.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.24 Critical accounting estimates and judgements**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

**(a) Impairment of intangible assets**

Intangible assets are reviewed for impairment when an indication of potential impairment exists. Impairment provisions are recorded as applicable based on directors' estimates of recoverable values. Details of the impairment reviews performed can be found in Note 8 of the financial statements.

**(b) Fair value measurement**

A number of assets and liabilities included in the Company's financial statements require measurement, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy')

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of inputs used that has a significant effect on the fair value measurement of the item.

The Company measures a number of items at fair value, including:

- land and buildings (note 9),
- investment property,
- forward foreign exchange contracts,
- pension and other post-retirement benefit commitments (note 19),
- share-based payments (note 20), and
- initial recognition of financial instruments

For more detailed information in relation to the fair value measure of the items above please refer to the applicable notes.

**(c) Share-based payments**

The charge to the Statement of Profit and Loss and Other Comprehensive Income in respect of share-based payments has been externally calculated using management's best estimates of the number of options expected to vest and various other inputs to the Black-Scholes and the binomial model, as disclosed in note 20. Variations in those assumptions in the model may have a material impact on the Company's results and financial position at the time of valuation. Those options that contain market conditions have been valued using the binomial model, and those without have been calculated using the Black-Scholes model. Management assesses whether the charge or vested portion should be amended based on an annual reassessment of the likelihood of non-market based vesting conditions being met.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.24 Critical accounting estimates and judgements (continued)**

**(d) Leases – estimating the incremental borrowing rate**

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its *incremental borrowing rate (IBR)* to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

In practice, the Company considered the following aspects in the assessment of IBR. Once decided, the IBR will remain unchanged unless there are modifications in lease terms or changes in the assessment of an option to purchase the underlying asset.

A base rate that reflects economic environment and the term of the lease. This is mainly derived from the yield of a government bond issued by the country in which the Company has in scope leases. Where the term of the lease does not conform with the maturity period of the bond, the Company considered other available information such as yields on the bonds with the nearest maturity period, or the yield curve published by the country's treasury department. Considering there is often a difference in the cash flow profile between a lease and government bond, the Company has decided to reduce the base rate by 0.05% to 0.10%.

Financing factors that reflect the lessee companies' risk premium on borrowing. Management considered the financial strength and credit risk of the lessee companies and has estimated the credit spread to be in the range of 1.50% to 5.00%.

Asset factors that reflect the quality of hypothetical security. Depending on the location and type of underlying assets, the Company expects the quality of security in this hypothetical borrowing transaction to vary. For example, the right to use a warehouse in rural areas may provide less relevant security compared to commercial office in a major city's central business district. Based on the Company's assessment, the asset factor ranges between -0.45% to -0.50%.

The following are the critical judgements that have been made in the process of applying the Company's accounting policies and have the most significant effects on the amounts recognised in financial statements:

**(a) Capitalisation of intangible assets**

The Company assesses development costs incurred for capitalisation in accordance with the requirements of IAS 38 and the Company's accounting policy described in note 2.8. In carrying out its assessment, the Company considers a range of factors, each of which requires the use of judgement, in consultation with the new product development team. Factors considered include the stage of development and assessment of technical and commercial feasibility of the project, the size of the markets in which the Company currently sells products, and the size of any additional markets in which the Company intends to sell the products. For key development projects, where there is a higher degree of estimation uncertainty over future product releases, independent external consultants are engaged to validate both technical progress and the overall market appetite for the new product in order to ensure that it remains reasonable to capitalise associated project costs.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**2.24 Critical accounting estimates and judgements (continued)**

**(b) Income taxes**

The Company is subject to income taxes in the United Kingdom and also in other jurisdictions

Significant judgements are required in determining the provision for income taxes including the use of tax losses and in estimating deferred tax assets arising from unused tax losses or credits. There are some transactions and calculations for which the ultimate tax determination is uncertain, including tax credits for research and development expenditures. The Company recognises assets and liabilities based on estimates of the final agreed position.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets on timing differences are recognised to the extent by which the Directors estimate that future profits will be generated to utilise the underlying costs or losses to which they relate.

**2.25 Alternative performance measures**

In reporting of financial information, the directors have adopted "adjusted EBITDA" as an alternative performance measure to provide additional useful information. This measure represents operating profit excluding depreciation, amortisation and foreign exchange gains and losses and provides an indication of the underlying cash trading performance of the business. More details are available at note 4.

This measure is not defined under IFRS or FRS 101 and is not designed to be a substitute for, or be superior to IFRS or FRS 101 measures, and it may not be directly comparable to similarly titled performance measures adopted by other entities.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**3 Profit from operating activities**

	Notes	2025 £000's	2024 £000's
Result from operating activities is stated after charging/(crediting)			
Cost of inventories recognised as an expense		29,158	36,369
Employee benefits expenses		6,216	6,947
Amortisation of intangible assets	8	1,166	1,154
Depreciation	9	189	201
Amortisation of right-of-use assets	10	136	127
Loss / (gain) on foreign exchange transactions		641	290
Research and development		3,484	3,794
Impairment of intangible assets	8	-	234
Impairment loss / (reversals) on trade receivables		1,000	2

**4 Adjusted EBITDA**

	2025 £000's	2024 £000's
Profit from operating activities	1,733	6,709
Depreciation	189	201
Amortisation of right-of-use assets	136	127
Amortisation of intangible assets	1,166	1,154
Impairment of intangible assets	-	234
Share-based payments	239	228
	<u>3,463</u>	<u>8,711</u>
Loss / (gain) on foreign exchange transactions	641	290
<b>Adjusted EBITDA</b>	<b><u>4,104</u></b>	<b><u>9,001</u></b>

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**5 Other income**

	Notes	2025 £000's	2024 £000's
Dividends received	24	3,080	4,554
Sundry income		1,045	-
		<u>4,125</u>	<u>4,554</u>

**6 Finance income and costs**

	2025 £000's	2024 £000's
<b>Finance income</b>		
Interest received on short term bank deposits	234	18
<b>Finance costs</b>		
Interest paid	(1,100)	(1,690)
Interest paid on lease liabilities	(20)	(32)
	<u>(1,120)</u>	<u>(1,722)</u>
	<u>(886)</u>	<u>(1,704)</u>

**7 Taxation**

	2025 £000's	2024 £000's
<b>Current tax</b>		
Withholding tax	144	158
Research and Development tax credits claimed	(115)	(1,285)
Overseas taxes	95	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(284)	667
Income tax (credit)/charge	<u>(160)</u>	<u>(460)</u>

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

7. Taxation (continued)

	2025 £000's	2024 £000's
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	847	5,005
Profit on ordinary activities before taxation multiplied by the applicable rate of UK corporation tax of 25% (2024 25%)	212	1,251
Effects of		
Non-deductible items	691	522
Non-chargeable credits	-	(10)
Right-of-use assets depreciation	-	(46)
Claim for enhanced relief on research and development expenditure	(347)	(730)
Adjustment in respect of prior years	15	(333)
Non-taxable income	(770)	(1,137)
Different tax rates for overseas operations	-	76
Withholding tax	144	158
Tax effect of share based payment arrangements	-	(42)
Origination and reversal of temporary differences	(273)	720
Patent box	(784)	(889)
Tax losses on which a deferred tax asset is not recognised	952	-
Income tax (credit)/ charge	(160)	(460)

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**8 Intangible non-current assets**

	<i>Distribution rights</i>	<i>Drug registrations, patents and licence costs</i>	<i>Total</i>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Cost</b>			
At 1 April 2023	407	24,785	25,192
Additions	-	4,139	4,139
Impairment	-	(287)	(287)
At 31 March 2024	<u>407</u>	<u>28,637</u>	<u>29,044</u>
Additions	-	4,648	4,648
Disposal	-	(122)	(122)
At 31 March 2025	<u>407</u>	<u>33,163</u>	<u>33,570</u>
<b>Amortisation</b>			
At 1 April 2023	178	7,309	7,487
Charge for the year	20	1,134	1,154
Disposal	-	(269)	(269)
Impairment	-	234	234
At 31 March 2024	<u>198</u>	<u>8,408</u>	<u>8,606</u>
Charge for the year	20	1,146	1,166
Disposal	-	(104)	(104)
At 31 March 2025	<u>218</u>	<u>9,450</u>	<u>9,668</u>
<b>Net Book Value</b>			
At 31 March 2025	<u>189</u>	<u>23,715</u>	<u>23,902</u>
At 31 March 2024	<u>209</u>	<u>20,229</u>	<u>20,438</u>
At 1 April 2023	<u>189</u>	<u>17,476</u>	<u>17,705</u>

The amortisation charge is included within administrative expenses on the Statement of Profit and Loss and Other Comprehensive Income

Drug registrations, patents and licence costs are amortised over their estimated useful lives of 10 to 20 years, which is the directors' estimate of the time it would take to develop a new product allowing for the Company's patent protection and the exclusivity period which comes with certain registrations. The remaining useful life ranges between 7 and 20 years, where the shortest period relates to assets on the balance sheet which received regulatory approval a number of years ago and have been amortised over a number of years, and where the remaining useful life of 20 years relates to capitalised assets which have not yet received regulatory approval and whose amortisation has not yet commenced.

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**9. Property, plant and equipment**

	Leasehold Improvements	Plant and Machinery	Fixtures, Fittings and Equipment	Total
	£000's	£000's	£000's	£000's
<b>Cost or valuation</b>				
At 1 April 2023	610	226	1,089	1,925
Additions	-	-	29	29
Disposals	-	(90)	(504)	(594)
At 31 March 2024	610	136	614	1,360
Additions	-	-	22	22
At 31 March 2025	<b>610</b>	<b>136</b>	<b>636</b>	<b>1,382</b>
<b>Depreciation</b>				
At 1 April 2023	(331)	(160)	(926)	(1,417)
Charge for the year	(116)	(14)	(71)	(201)
Disposals	-	90	504	594
At 31 March 2024	(447)	(84)	(493)	(1,024)
Charge for the year	(116)	(14)	(59)	(189)
At 31 March 2025	<b>(563)</b>	<b>(98)</b>	<b>(552)</b>	<b>(1,213)</b>
<b>Net Book Value</b>				
At 31 March 2025	47	38	84	169
At 31 March 2024	163	52	121	336
At 1 April 2023	279	66	163	508

Depreciation has been included within administrative expenses in the Statement of Profit and Loss and Other Comprehensive Income

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**10 Right of use assets**

	Property £000's	Vehicles £000's	Total £000's
<b>Cost or valuation</b>			
At 31 March 2023	1,111	153	1,264
Additions	-	30	30
Disposals	(161)	-	(161)
At 31 March 2024	950	183	1,133
Additions	-	65	65
Disposals	(7)	(22)	(29)
<b>At 31 March 2025</b>	<b>943</b>	<b>226</b>	<b>1,169</b>
<b>Depreciation</b>			
At 31 March 2023	(757)	(74)	(831)
Charge for the year	(97)	(30)	(127)
Disposals	49	-	49
At 31 March 2024	(805)	(104)	(909)
Charge for the year	(97)	(39)	(136)
Disposals	6	13	19
<b>At 31 March 2025</b>	<b>(896)</b>	<b>(130)</b>	<b>(1,026)</b>
<b>Net Book Value</b>			
At 31 March 2025	47	96	143
At 31 March 2024	145	79	224
At 31 March 2023	354	79	433

Depreciation has been included as administrative expenses in the Statement of Profit and Loss and Other Comprehensive Income

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**11. Fixed asset investments**

	<b>Unlisted investments</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>
<b>Cost</b>		
At 31 March 2023	5,334	5,334
At 31 March 2024	5,334	5,334
At 31 March 2025	<u>5,334</u>	<u>5,334</u>
<b>Impairment</b>		
At 31 March 2023, 2024 and 2025	(1,962)	(1,962)
<b>Net Book Value</b>		
At 31 March 2025	<u>3,372</u>	<u>3,372</u>
At 31 March 2024	<u>3,372</u>	<u>3,372</u>
At 31 March 2023	<u>3,372</u>	<u>3,372</u>

Unlisted investments held by the Company comprise investments in subsidiaries, associates and joint ventures

The related undertakings of the Company are detailed below

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**11. Fixed asset investments (continued)**

**Subsidiary undertakings**

<b>Company</b>	<b>Registered office address</b>	<b>Country of registration or incorporation</b>	<b>Class</b>	<b>Shares held %</b>
ECO Animal Health Southern Africa (Pty) Limited	228 Athol Road, Highlands North, Johannesburg 2192	South Africa	Ordinary	100
Zhejiang ECO Animal Health Limited	Zhongguan Industrial Area, Deqing, Zhejiang Province	P R China	Ordinary	100
ECO Animal Health do Brasil Comercio de Produtos Veterinarios Ltda	Rua Antonio Amstalden No 70, Capela, Vinhedo, Sao Paulo	Brazil	Ordinary	100
ECO Animal Health Japan Inc	1-2-1, Hamamatsu-cho, Minato-Ku, Tokyo	Japan	Ordinary	100
ECO Animal Health USA Corp	506 Carnegie Center, Suite 400, Princeton, NJ 08540	U S A	Ordinary	100
ECO LLC	506 Carnegie Center, Suite 400, Princeton, NJ 08540	U S A	Ordinary	100
ECO Animal Health de Mexico, S de R L de C V	Av Tecnologico Sur 134-4, Unidad Habitacional Moderna, Queretaro, 76030	Mexico	Ordinary	100
ECO Animal Health de Argentina S A	Calle 4 E 43/44 N 581 P 6 D B La Plata, Buenos Aires	Argentina	Ordinary	100
ECO Animal Health Malaysia Sdn Bhd	10 <sup>th</sup> Floor, Menara Hap Seng, No 1 & 3, Jalan P Ramlee, 50250 Kuala Lumpur	Malaysia	Ordinary	100
ECO Animal Health India (Private) Ltd	No 33/5, Second Floor, Mount Kailash Building, Meanee Avenue Road, Ulsoor Bangalore, Karnataka, 560042	India	Ordinary	100
ECO Animal Health Europe Ltd	6 Northbrook Road, Dublin 6, Eire	Republic of Ireland	Ordinary	100

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**11 Fixed asset investments (continued)**

The principal activity of these undertakings for the last relevant financial year was as follows

<b>Company Name</b>	<b>Principal activity</b>
ECO Animal Health Southern Africa (Pty) Limited	Non-trading
Zhejiang ECO Animal Health Limited	Procurement of raw materials
ECO Animal Health do Brasil Comercio de Produtos Veterinarios Ltda	Distribution of animal drugs
ECO Animal Health Japan Inc	Distribution of animal drugs
ECO Animal Health USA Corp	Distribution of animal drugs
ECO LLC	Non-trading
ECO Animal Health de Mexico, S de R L de C V	Distribution of animal drugs
ECO Animal Health de Argentina S A	Non-trading
ECO Animal Health Malaysia Sdn Bhd	Non-trading
ECO Animal Health India (Private) Ltd	Non-trading
ECO Animal Health Europe Ltd	Distribution of animal drugs

**Associate undertakings**

The Company holds more than 20% of the share capital of the following companies

<b>Company</b>	<b>Registered office address</b>	<b>Country of registration or incorporation</b>	<b>Class</b>	<b>Shares held %</b>
Zhejiang ECO Biok Animal Health Products Limited	Zhongguan Industrial Area, Deqing, Zhejiang Province	P R China	Ordinary	48
Shanghai ECO Biok Veterinary Drug Sale Company Ltd (via Zhejiang ECO Biok Animal Products Ltd )	Room 1502-3, Imago Plaza, No 99 Wuning Road, Ptro District, Shanghai 200063	P R China	Ordinary	48*
EcoPharma com (via ECO Animal Health Japan Inc )	Higashi 18-5-15, Kita 18 Jo, Higashi-ku, Sapporo-city, Hokkaido JAPAN	Japan	Ordinary	47.62%

\*Shanghai ECO Biok Veterinary Drug Sale Company Ltd is a 100% subsidiary of Zhejiang ECO Biok Animal Health Products Limited

The Company's parent, ECO Animal Health Group plc holds 3% of the issued Ordinary share capital in Zhejiang ECO Biok Animal Health Products Limited and controls the latter company through the shares that it holds directly and the shares that are held by the Company

The Company's subsidiary, ECO Animal Health Japan Inc holds in 10,000,000 shares out of a total of 21,000,000 shares in EcoPharma com

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**11. Fixed asset investments (continued)**

<b>Company Name</b>	<b>Principal activity</b>
Zhejiang ECO Biok Animal Health Products Limited	Manufacture of animal drugs
Shanghai ECO Biok Veterinary Drug Sale Company Ltd	Distribution of animal drugs
EcoPharma.com	Distribution of animal drugs

**Joint Arrangements**

The Company holds a 50% interest in the following companies

- Eco Animal Health Canada Inc , which is registered in Canada and distributes animal drugs related products in the local market
- Pharmgate Animal Health LLC (by means of its ownership of ECO Animal Health USA Corp ) which is registered in the U S A and distributes animal drugs related products in the local market

The Company's holdings in each of the joint operations' share capital is given in the table below

<b>Pharmgate Animal Health Canada Inc</b>	<b>Holding (shares)</b>	<b>Shares in issue</b>	<b>Holding %</b>
Common Shares	100	200	50
Class A Shares	100	100	100
Class B Shares	-	100	-
 <b>Pharmgate Animal Health USA LLC</b>	 <b>Holding (shares)</b>	 <b>Shares in issue</b>	 <b>Holding %</b>
Common Shares	100	200	50
Class A Shares	100	100	100
Class B Shares	-	100	-

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**11. Fixed asset investments (continued)**

In the case of Pharmgate Animal Health Canada Inc and Pharmgate Animal Health USA LLC, A shares carry the rights to dividends payable out of profits attributable to the Company. These are made up of profits made by products supplied by the ECO Animal Health Group plus 50% of any profit relating to new products developed jointly by the partners to the joint arrangement.

Pharmgate Animal Health Canada Inc is a joint operation of the Company.

Pharmgate Animal Health USA LLC is a joint operation of its parent company, which is a subsidiary of Eco Animal Health Limited.

**12. Inventories**

	2025 £000's	2024 £000's
Raw materials and consumables	4,439	6,933
Finished goods and goods for resale	2,921	2,045
Work in progress	3,284	1,963
	<u>10,644</u>	<u>10,941</u>

The cost of inventories recognised as an expense and included in cost of sales in the period amounted to £29,158,000 (2024 £36,369,000).

**13 Trade and other receivables**

	2025 £000's	2024 £000's
<b>Current.</b>		
Trade receivables	14,477	23,065
Amounts owed by subsidiary undertakings	20,486	7,080
Other receivables	731	212
Prepayments and accrued income	397	153
	<u>36,091</u>	<u>30,510</u>

**14. Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term deposits held by the Company net of amount borrowed on bank overdraft. The carrying amount of these assets are not significantly different to their fair value.

	2025 £000's	2024 £000's
Cash and cash equivalents	6,919	5,794
	<u>6,919</u>	<u>5,794</u>

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**15. Trade and other payables**

	2025	2024
	£000's	£000's
Trade payables	7,530	8,668
Amounts owed to parent undertaking	46,607	51,078
Amounts owed to subsidiary undertakings	16,041	805
Other payables	15	18
Accruals and deferred income	2,689	4,931
	<u>72,882</u>	<u>65,500</u>

Amounts due to parent and subsidiary undertakings are repayable on demand

**16. Deferred tax**

Deferred tax assets and liabilities are attributable to the following

	Assets/(Liabilities)		Net	
	2025	2024	2025	2024
	£000's	£000's	£000's	£000's
Trade related temporary differences	(3,971)	(4,177)	(3,971)	(4,177)
Plant and equipment	4	(96)	4	(96)
Deferred tax on share options	48	70	48	70
Tax losses carried forward	2,623	2,623	2,623	2,623
Amount (payable) after more than one year	<u>(1,296)</u>	<u>(1,580)</u>	<u>(1,296)</u>	<u>(1,580)</u>

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

The movement on the deferred tax account can be summarised as follows

	Trade- related temporary differences £000's	Plant and machinery £000's	Share options £000's	Tax losses carried forward £000's	Total £000's
At 1 April 2024	(4,177)	(96)	70	2,623	(1,580)
(Charge) for the year through Statement of Profit and Loss and Other Comprehensive Income	-	-	(22)	-	(22)
Credit for the year through Statement of Profit and Loss and Other Comprehensive Income	206	100	-	-	306
At 31 March 2025	<u>(3,971)</u>	<u>4</u>	<u>48</u>	<u>2,623</u>	<u>(1,296)</u>

**17. Share capital**

	2025 £000's	2024 £000's
<b>Allotted, called up and fully paid</b>		
2 (2024 2) ordinary shares of £1 each	<u>-</u>	<u>-</u>

**18. Directors' emoluments**

	2025 £000's	2024 £000's
Emoluments for qualifying services	1,188	1,218
Company pension contributions to money purchase schemes	31	40
Share-based payments	19	118
Benefits in kind	5	15
	<u>1,243</u>	<u>1,391</u>

The highest paid director received £586,000 (2024 £630,000)

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**19 Employees**

**Number of employees**

The average number of employees (including directors) during the year was

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
Directors	3	3
Production and development	28	36
Administration	20	12
Sales	13	19
	<u>64</u>	<u>70</u>

**Employment costs (including amounts capitalised)**

	<b>2025</b>	<b>2024</b>
	<b>£000's</b>	<b>£000's</b>
Wages and salaries	5,748	6,577
Share-based payments	239	228
Social security costs	1,016	650
Other pension costs	4	109
	<u>7,007</u>	<u>7,564</u>

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**20. Share-based payments**

Certain employees of the Company have been granted options over the shares in the Company's parent ECO Animal Health Group plc. The options are granted with a fixed exercise price, are exercisable 3 years after the date of grant.

The Company recognises a share-based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity as a capital contribution.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Date of grant	Unapproved at Mar 2025	Approved at Mar 2025	Exercise price (£)	Expiry date
26-Aug-15	-	21,350	2 650	26-Aug-25
19-Jan-16	-	10,200	3 150	19-Jan-26
17-Feb-16	-	19,600	3 125	17-Feb-26
01-Mar-16	-	9,600	3 125	01-Mar-26
12-Sep-16	-	16,200	4 325	12-Sep-26
21-Sep-17	-	35,650	6 200	21-Sep-27
23-Oct-18	-	45,250	3 800	23-Oct-28
23-Oct-18	178,750	-	3 800	23-Oct-25
19-Dec-18	-	7,800	3 800	19-Dec-28
19-Dec-18	2,200	-	3 800	19-Dec-25
28-Apr-21	-	129,932	3 495	28-Apr-31
28-Apr-21	109,568	-	3 495	28-Apr-28
12-Dec-22	41,297	-	0 050	12-Dec-29
27-Feb-23	343,265	-	0 050	27-Feb-30
25-Apr-23	-	266,300	1 011	25-Apr-33
22-Mar-24	241,052	-	0 050	22-Mar-34
22-Mar-24	-	211,600	0 880	22-Mar-34
27-Oct-24	308,174	-	0 050	27-Oct-34
26-Mar-25	79,500	-	0 050	26-Mar-35
26-Mar-25	-	127,100	0 585	26-Mar-35
	<b>1,303,806</b>	<b>900,582</b>		

**21. Contingent liabilities**

All of the Company's assets were pledged as security for a group currency overdraft facility under the terms of two debentures in favour of the National Westminster Bank PLC dated 28 January 1995 and 28 November 2006.

At 31 March 2025, the balance owed by ECO Animal Health Group plc on this facility was £nil (2024 £nil).

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**22 Amounts payable under lease arrangements**

	Up to 1 year £000's	Between 1 - 5 years £000's	Over 5 years £000's	Total £000's
Amounts payable under lease arrangements in respect of				
Properties	28	-	-	28
Motor vehicles	52	65	-	117
Other				
	<u>80</u>	<u>65</u>	<u>-</u>	<u>145</u>

**23. Capital commitments**

The Company had no authorised capital commitments as at 31 March 2025 (2024 Nil)

**24. Related party transactions**

**Transaction with related undertakings**

During the year the Company made sales in the ordinary course of business to its related undertakings

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of ECO Animal Health Group plc

**Dividends received**

During the year Zhejiang ECO Animal Health Ltd paid dividends of £2,056,411 (RMB 18,918,983) to ECO Animal Health Ltd (2024 £449,560)

During the year Zhejiang ECO Biok Animal Health Products Limited paid dividends of £1,023,478 (RMB 9,416,000) to ECO Animal Health Ltd (2024 £2,702,641)

During the year ECO Animal Health do Brasil Comercio de Produtos Veterinarios Ltda paid dividends to ECO Animal Health Ltd of £nil (2024 £1,398,471)

**ECO ANIMAL HEALTH LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**24. Related party transactions (continued)**

**Transactions with directors**

During the year the Company loaned Directors of the Company the following amounts

	<b>2025</b>	<b>2024</b>
	<b>£000's</b>	<b>£000's</b>
Outstanding at 1 April	8	30
Outstanding at 31 March	8	8

**25. Ultimate parent undertaking**

The ultimate parent undertaking of the Company is ECO Animal Health Group plc, a company incorporated in England and Wales

ECO Animal Health Group plc is the only entity that prepares consolidated financial statements that incorporates the financial statements of the Company

**26. Post balance sheet event**

The company has evaluated events and transactions that have occurred after the reporting date of 31 March 2025 and note that no events have occurred that would require adjustment to, or disclosure in, the financial statements