



**BAKER TILLY  
FMAC**

**AUDIT REPORT ON THE  
FINANCIAL STATEMENTS OF  
UPL PORTUGAL, UNIPESSOAL LDA.  
AS OF MARCH 31, 2016**



BAKER TILLY  
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## INDEPENDENT AUDIT REPORT ON THE FINANCIAL STATEMENTS

### **To the auditors of UPL Limited.**

We have audited, for the purpose of your audit of the group financial statements of UPL Limited. and its subsidiaries the accompanying financial statements of UPL PORTUGAL, UNIPESOAL LDA. as of March 31, 2016 and for the year then ended.

### Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Group's Reporting Standards, as described in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the specified forms of the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the Financial Statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the component's preparation and 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 component's internal control. An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of 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 a basis for our opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of UPL PORTUGAL, UNIPessoal LDA. as of March 31, 2016 and of its financial performance for the year then ended in accordance with the applicable regulatory framework for financial reporting.

Restriction of use and distribution

This report is issued solely for the use by the group auditor in connection with their audit of the consolidated financial statements of UPL Ltd. as of and for the year ended March 31, 2016 and is not intended for any other purpose.

Barcelona, April 20, 2016

*Roger Rocamora*  
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UPL PORTUGAL, Unnipessoal Lda

PROFIT & LOSS ACCOUNT OF FINANCIAL YEAR ENDED AT 31ST MARCH 2016 & 2015  
(Euros)

OPERATING ACCOUNT	31/03/16	31/03/15
<b>Turnover</b>	0,00	0,00
Net sales	0,00	0,00
Dividends	0,00	0,00
<b>Stock variation of finished goods</b>	0,00	0,00
<b>Supplies</b>	0,00	0,00
Consumption of goods	0,00	0,00
Consumption of raw materials and other provisions	0,00	0,00
Works from other companies	0,00	0,00
Impairments	0,00	0,00
<b>Personnel expenses</b>	0,00	0,00
Wages and salaries	0,00	0,00
Social costs	0,00	0,00
Other personnel expenses	0,00	0,00
<b>Other operating expenses</b>	-7.435,00	-3.150,00
Logistic expenses	0,00	0,00
Other external services	-7.350,00	-3.150,00
Other taxes	-85,00	0,00
Losses, impairment and charges in trade provisions	0,00	0,00
Other operating expenses	0,00	0,00
<b>EBITDA</b>	-7.435,00	-3.150,00
<b>Depreciation of fixed assets</b>	0,00	0,00
<b>Research and development</b>	0,00	0,00
Depreciation research and development	0,00	0,00
others research and development and royalties	0,00	0,00
<b>Depreciation and result on fixed assets alienation</b>	0,00	0,00
Impairment and losses	0,00	0,00
Gains / (losses) on disposal and other	0,00	0,00
<b>Other results</b>	0,00	0,00
Restructuring cost	0,00	0,00
External services related companies	0,00	0,00
<b>OPERATING RESULT:</b>	-7.435,00	-3.150,00
<b>Financial incomes</b>	0,00	0,00
From third parties	0,00	0,00
From related companies	0,00	0,00
<b>Financial expenses</b>	-238,48	-60,04
For debts with third parties	-238,48	-60,04
From related companies	0,00	0,00
<b>Exchange rate differences</b>	0,00	0,00
<b>FINANCIAL RESULT:</b>	-238,48	-60,04
<b>RESULT BEFORE TAXES:</b>	-7.673,48	-3.210,04
<b>Company tax expense</b>	0,00	0,00
<b>RESULT OF THE PERIOD:</b>	-7.673,48	-3.210,04

UPL PORTUGAL, Unipessoal Lda

BALANCE SHEET AS AT 31 MARCH 2016 & 2015  
(Euros)

ASSETS	31/03/16	31/03/15
<b><u>NON CURRENT ASSETS</u></b>		
Long term investments in group companies	0,00	0,00
Long term investemnt in third parties	0,00	0,00
Deferred tax assets	0,00	0,00
<b>Total non current assets:</b>	<b>0,00</b>	<b>0,00</b>
<b><u>CURRENT ASSETS:</u></b>		
Stocks	0,00	0,00
Trade debtors and other account receivables	500,00	0,00
Trade receivables	0,00	0,00
Trade receivables from related companies	0,00	0,00
Other receivables	0,00	0,00
Current tax assets	0,00	0,00
Other advance tax	500,00	0,00
Short term group financial investments	0,00	0,00
Other current financial assets	0,00	0,00
Cash and banks and equivalents	4.201,48	4.939,96
Cash and banks	4.201,48	4.939,96
<b>Total current assets:</b>	<b>4.701,48</b>	<b>4.939,96</b>
<b>TOTAL ASSETS</b>	<b>4.701,48</b>	<b>4.939,96</b>

NET WORTH & LIABILITIES	31/03/16	31/03/15
<b><u>NET WORTH:</u></b>		
Capital	5.000,00	5.000,00
Common Stock	5.000,00	5.000,00
Reserves	-3.210,04	0,00
Legal reserve	0,00	0,00
Other reserves	0,00	0,00
Retained earnings	-3.210,04	0,00
Own shares	0,00	0,00
Result of the period	-7.673,48	-3.210,04
<b>Total net worth:</b>	<b>-5.883,52</b>	<b>1.789,96</b>
<b><u>NON CURRENT LIABILITIES</u></b>		
Long term debts	0,00	0,00
Debts with related companies	0,00	0,00
<b>Total non current liabilities</b>	<b>0,00</b>	<b>0,00</b>
<b><u>CURRENT LIABILITIES</u></b>		
Short term debts	0,00	0,00
Debts with credit entities	0,00	0,00
Debts with related companies	8.335,00	600,00
Trade creditors and other accounts payable	2.250,00	2.550,00
Suppliers,	0,00	0,00
Suppliers, related companies	0,00	0,00
Sundry creditors	2.250,00	2.550,00
Personnel	0,00	0,00
Current tax liabilities	0,00	0,00
Other tax liabilities	0,00	0,00
Advances from customers	0,00	0,00
<b>Total current liabilities</b>	<b>10.585,00</b>	<b>3.150,00</b>
<b>TOTAL NET WORTH AND LIABILITIES</b>	<b>4.701,48</b>	<b>4.939,96</b>

# UPL PORTUGAL, UNIPESSOAL LDA

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Praça Bartolomeu Dias, Loja 102/108  
Urbanização Cerrado da Praia  
2890-138 ALCOCHETE

## 1. ACTIVITY OF THE COMPANY

### CONSTITUTION

This company was constituted as a Limited Company on 25<sup>th</sup> July 2014.

The Company's authorised activities are the production, elaboration, transformation and trade of pharmaceutical, hygienic, insecticides, agricultural, domestic and other similar products based on natural, artificial and synthetic material.

During this year, the company has not started its commercial activities. It remains to be determined when the company's operations will begin.

The management submits these financial statements for the period ended at 31<sup>st</sup> March 2016. These statements have been prepared only for consolidation purposes, and therefore the format and contents included have been adapted to the needs of the Group.

## 2. BASES OF PRESENTATION OF THE FINANCIAL STATEMENTS

### a) TRUE REFLECTION

The Financial Statements have been presented according to the legal requirements enforced on the closing date of the financial year and what is applicable in the case with regard to the structure, content, and principles and accounting criteria with the purpose of showing a true reflection of the net worth, the financial situation and the profit or loss of the company.

### b) ACCOUNTING PRINCIPLES

The Financial Statements have been prepared on the basis of the following accounting principles:

#### Going Concern

The Financial Statements as well as the details, explanations and the other information contained in the present Notes have been presented on the basis of continuity in operation. In consequence all the valuation criteria have been applied in accordance with the principle of continuity in the activity of the Company.

#### Register

The economic facts are registered on the date when the rights and obligations appear.

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Along the same line, the relevant assets and liabilities are affected by the rights and obligations generated from the business activity.

## Accruals

The income, expenses, rights and obligations are apportioned and recognised in the Financial Statements on the date when they have been generated, without regard of the date of their settlement.

## Correlation of Expenses and Incomes

The incomes, expenses and costs necessary for their obtaining are recognised paying attention to the principle of correlation between them, being included both those paid as well as the provisions necessary in order to comply with the principle of prudence assumed by the Company.

## Non-compensation

The assets and liabilities are presented separately in order to maintain the rights and obligations clearly specified that such assets and liabilities represent according to their nature.

## Prudential Valuation

The principle of prudential valuation has been followed in which the income is registered when it is achieved and the expenses when they are known.

## Uniformity

The principles, criteria and policies have been consistently applied so that there has been no variation with regard to those maintained in the previous financial year.

## Relative importance

In the application of accounting principles, deviations have not been considered when the incidence of these items does not substantially alter the true reflection of the company.

## c) COMPARISON OF THE INFORMATION

As the company has not started the commercial activity, the accounts corresponding to the current financial year ended 31<sup>st</sup> March 2016 are comparable with previous financial year which comprise of 8 months being first year of the company.

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## d) ELEMENTS INCLUDE IN VARIOUS ITEMS

All the elements are included in its corresponding items.

## 3. PROFIT DISTRIBUTION

The distribution of results that the board of directors proposes is as follows:

Distribution basis	2014-15	2015-16
Profit and loss	-3.210	-7.673
<b>Distribution</b>		
To losses from previous years	-3.210	-7.673

## 4. VALUATION RULES

### a) INTANGIBLE FIXED ASSETS

There is no asset in these items.

### b) TANGIBLES FIXED ASSETS

There is no asset in these items.

### c) NEGOTIABLE VALUES AND ANY OTHER FINANCIAL INVESTMENTS

There is no financial investment registered by the Company.

### d) NON COMMERCIAL CREDITS:

They are registered for the amount given. The difference between this amount and the nominal of the credits is considered an interest income in the financial year when they are paid, following a financial criteria and booking the credit for interests in the balance assets.



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## e) STOCKS

The balance of the inventory at closing date is 0 euro.

## f) OWN SHARES IN PORTFOLIO

The company has not own shares in portfolio.

## g) SUBVENTIONS

The company has not received any subvention during the fiscal year.

## h) PROVISION FOR PENSIONS AND SIMILAR LIABILITIES

The Company does not have established any provision for pensions and similar liabilities.

## i) DEBTS

The debts appear in the Balance Sheet at the value of reimbursement.

The charges for the interest derived from the mentioned debts are apportioned to the Profit and Loss Account in relation to the date of its accrual.

The classification of the debts between short and long-term is done according to whether their maturity is lesser or greater than a year respectively.

## j) CORPORATE INCOME TAX

The tax credits for the incurred losses are not capitalized because there is not a scheduled date to begin the company's operations.

## k) TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currency are valued at the exchange rate corresponding to the transaction date. Nevertheless, at the closing of the accounting period the mentioned balances are adjusted to the exchange rate corresponding to the last date of period.

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## **l) INCOME AND EXPENSES**

The Profit and Loss Account is constituted by the income less the expenses of the same period which are realised to obtain the former, as well as the profits and losses not clearly related with the activity of the company.

## **m) ENVIRONMENTAL EXPENSES**

The expenses derived from the purchase of systems, equipments and installations whose purpose are the elimination, limitation or control of potential impacts the normal activity of the Company might cause to the environment, are considered as investments in fixed assets. Other expenses related to the protection of the environment are considered as expenses of the period.

The company had not environment expenses in this period.

## **5. TANGIBLE FIXED ASSETS**

Not applicable.

## **6. INVESTMENTS (Euros)**

Not applicable.

## **7. NET WORTH**

The movements of these accounts have been the following:

<b>Accounts</b>	<b>Balance 31.03.15</b>	<b>Distribution of results 31.03.2015</b>	<b>Results for the financial year</b>	<b>Balance 31.03.16</b>
Capital	5.000			5.000
Legal Reserves	0			0
Shareholders cont. for capital incr.	0			0
Profits and Losses previous year	0	-3.210		-3.210
Profits and Losses financial year	-3.210	3.210	-7.673	-7.673
<b>Total shareholders' equity</b>	<b>1.790</b>	<b>0</b>	<b>-7.673</b>	<b>-5.883</b>

# UPL PORTUGAL, UNIPessoal LDA

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The Company is participated by a sole shareholder (the company TRANSTERRA INVEST, S.L.U.) and this condition is registered in the Mercantile Register. During next year its sole shareholder will re-establish the equity of the company.

According to the Companies Code, an amount no lesser than the 5% of the profit of the financial year, must be assigned to the legal reserve until it reaches, at least, the limit of 2.500 eur in accordance with Article 218 of the Common Stock.

The legal reserve can only be used to cover losses that the period or retained, cannot be covered by other reserves or to increase the share capital, in accordance with Article 296 of the CSC.

## 8. TAX SITUATION

The Company Tax is calculated from the accounting result, obtained by the application of the generally accepted accounting principles, and that does not necessarily coincide with the tax result, which is used as a tax assessment basis.

## 9. BALANCES AND TRANSACTIONS WITH GROUP COMPANIES

The company has debts with group companies according to the following detail:

Loans and Liabilities	Nature of Balance	31.03.2015	31.03.2016
Open account Transterra Invest, S.L.U. (short time)	Loan	-600	-8.335
<b>TOTAL</b>		<b>-600</b>	<b>-8.335</b>

## 10. EXPENSES

Operating expenses	31.03.2015	31.03.2016
EXTERNAL SERVICES	3.150	7.350
OTHER TAX	-	85

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Financial expenses	31.03.2015	31.03.2016
-Due to debts with group companies	-	-
-Due to debts with thirds	60	238
-Positive exchange rate differences	-	-
Total	60	238

## 11. INCOME

The company had not commercial activity during this year.

## 12. OTHER INFORMATION

The Management Board has not received from the Company any amount as Wages, salaries and other remunerations during this period closed at 31<sup>st</sup> March 2016, neither have they received loans nor advances.

## 13. ENVIRONMENTAL SITUATION

The Company has been not activity, and has not generated in its activity residuals that could affect the environment. Anyway, the concern for the environment and the appropriate administration of the residuals are principles and targets of the company.

## 14. SUBSEQUENTS EVENTS

There has not been any subsequent event after the closing date that should be mentioned.

Setúbal, 20<sup>th</sup> April 2016



Mr. Jimmy E Dadrewalla  
Financial Controller