

**Crowe Advartis Accounting Sp. z o.o.**

ul. Hrubieszowska 2, 01-209 Warszawa



**Report of reviewing accountant**

*To the directors of UPL Polska Sp. z o.o.*

We have prepared the financial statements on pages 2 to 10 from the accounting records and information and explanations supplied to us. We have not carried out an audit.

The financial statements comprise:

- introduction
- balance sheet, showing total assets and total liabilities amounting to 3 247,77 zł
- profit and loss account, showing net loss amounting to 45 098,82 zł
- notes to the financial statements

*For and on behalf of  
Crowe Advartis Accounting Sp. z o.o.*

Authorised signatory

Date: 18 April 2017

**Approved for and on behalf of  
UPL Polska Sp. z o.o.**

Bharat Dutia  
Member of the Board  
Date: 18 April 2017

Jimmy Erach Dadrewalla  
Member of the Board  
Date: 18 April 2017

Trevor John Holland  
Member of the Board  
Date: 18 April 2017

# **UPL Polska Sp. z o.o.**

## **Financial Statements**

**for the period from 1 April 2016 to 31 March 2017**

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# **UPL Polska Sp. z o.o.**

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**Na Przelaj 8, 03-092 Warszawa  
REGON number 141714256**

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**Financial Statements  
for the period from 1 April 2016 to 31 March 2017**

**Report of the independent auditor  
to the Board of Directors**UPL Polska Sp. z o.o.  
03-092 Warszawa  
ul. Na Przelaj 8  
Poland

As independent auditors, we have examined the financial statements (balance sheet, income statement and the notes) of UPL Polska Sp. z o.o. for the 12 months period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017. The comparative figures represent the period of 12 months from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016. The reporting period, or the comparative period are reporting periods for the Company under local law, and for purposes of consolidation.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform an audit on these financial statements. These financial statements have been drawn up in accordance with Polish law as contained in the Polish Act on Accounting, based on properly kept accounting records as set out in that law.

We conducted our examination in accordance with the relevant auditing standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Company conducts no operations and has negative equity. We have received a letter of comfort issued by Company's shareholders representatives, confirming that the Shareholders will continue to provide support to the Company.

In our opinion, the accounting records comply with Polish accounting law and the financial statements comply with group accounting policies. The financial statements contain no hidden reserves and show a true and fair view of the state of the Company's affairs as at 31<sup>st</sup> March 2017 and the result for the 12 months period ending on that date.

Warsaw, 11<sup>th</sup> April 2017**Monika Byczyńska**  
Licensed Auditor No. 9877Poland Audit Services Sp. z o.o.  
Independent Member of Crowe Horwath International

**1. Principal activities of the Company**

Company UPL Polska Sp. z o.o. with a registered office in Warsaw at Na Przelaj 8 Street, is registered under the changed name in State Court Register for the City of Warsaw 15<sup>th</sup> October 2014 under the number 0000323581.

Its main operations comprise the following activities are:

- services in the area of plant growth,
- production of basic chemicals, agrochemicals, fertilizers and nitrate components, plastics and synthetic rubber in its basic forms.
- production of pesticides and other agrochemical products,
- agency activity for the sale of fuels, ores, metals and industrial chemicals, and other traded goods,
- wholesale and retail of chemical products in specialist and general stores, and on market stands,
- all ancillary activity that may promote or assist the primary activities.

According to the Company's Articles of Association the period of operations is unlimited.

**2. Financial Statements**

Financial statements are produced on a going concern basis. No circumstances are known indicating the inability of the company to continue as a going concern.

Financial statements are presented for the 12-month period from 1 April 2016 to 31 March 2017. Comparative data are presented for the 12-month period from 1 April 2015 to 31 March 2016.

**3. Summary of principal accounting policies**

**(a) Basis of preparation**

The accounting policies adopted in the preparation of the financial statements are in accordance with the Accounting Act of 29 September 1994 (*Journal of Laws* No. Dz. U. z 2016, poz. 1047), which specifies, inter-alia, accounting principles for entities which have their registered office or place of management on the territory of the Republic of Poland.

**(b) Receivables**

Receivables are long term if they are due after more than one year from the balance sheet date. Receivables are short term if they are due within one year from the balance sheet date.

Receivables are stated at amounts due at the balance sheet date including the late interest accrued, carried net of write-downs.

Receivables are adjusted by a write-downs taking into account the probability of repayment. Depending on the type of receivables write-downs are charged to other operating costs or financial costs.

Taxation, state subsidy and social security receivables are stated at amounts due on the basis of regulations, agreements and other relevant documentation.

**(c) Monetary assets**

Monetary assets include cash in hand and cash at bank, bank deposits maturing within three months of the balance sheet date, cheques, bills of exchange and similar instruments due within three months from the date of issue. Monetary assets also include interest due but not received.

Financial assets due or maturing within three months from the date of issue or placement are classified as cash for cash flow reporting purposes.

Cash and cash equivalents are stated at face value.

Interest received and due is included in financial income.

**(d) Prepayments, accruals and deferred income**

**i. Prepayments**

Prepayments include invoiced amounts of services to be received in future periods. The timing and method of recognition in the income statement should correspond to the nature of the expenses recognised, taking account of the prudence principle.

**ii. Accruals**

Accruals are recognised at amounts of likely liabilities, which relate to the current reporting period, in particular with regard to:

- Goods and services provided to the Company by its creditors, if the amount of liability can be reliably estimated;
- The obligation to provide, in the future, goods and services, relating to current activities, to unknown persons, the amount of which can be estimated even though the timing of a liability is not yet known, including amounts relating to guarantee and warranty service in respect of durable products sold.

Accruals are recognised in the income statement in proportion to the goods or services provided. The timing and method of recognition in the income statement should correspond to the nature of the expenses recognised, taking account of the prudence principle.

**(e) Shareholders' equity**

Shareholders' equity comprises share capital, supplementary capital and reserves established by the Company on the basis of legislation, the Articles of Association and decisions of general meetings of shareholders, as well as amount of cumulative profits or losses from previous years.

Share capital is stated at nominal value in the amount specified in Articles of Association and entered in the Commercial Register.

Losses brought forward include cumulative profits and losses from previous years which have not been distributed or appropriated by resolution of general meetings of shareholders.

**(f) Provisions for liabilities**

Provisions for liabilities are measured reliably estimated value.

Provision for liabilities are created on for future liabilities which are certain or high probable and we can estimate their value reliably.

**(g) Liabilities**

Liabilities are long term if they are due more than one year from the balance sheet date. Liabilities are short term if they are due within a year from the balance sheet date.

Liabilities are stated at amounts due in respect of goods or services received, including the late interest due at the balance sheet date. Interest is charged to financial costs.

**(h) Foreign currency transactions**

Assets and liabilities denominated in foreign currencies are translated into Polish currency at the balance sheet date using average rate of a given currency specified by the National Bank of Poland as on the balance sheet date. Business transactions denominated in foreign currencies are accounted for as on the date they are performed at:

- for cash received and paid liabilities the average rate of a given currency specified by the National Bank of Poland as on the last working day before transaction date
- for receivables and liabilities the average rate of a given currency specified by the National Bank of Poland as on the last working day before transaction date.

Realised foreign exchange gains or losses as well as gains or losses arising on translation of foreign currency balances at the balance sheet date are credited or charged to financial income or costs respectively.

**(i) Revenue recognition**

Sales are recognised at the time goods are delivered or services are provided. Sales are recognised net of value-added taxes or any discounts allowed.

**(j) Obligatory charges on the financial result**

Obligatory charges on the financial result include Corporate Income Tax on profit determined in accordance with relevant legislation, deferred taxation and other mandatory charges on profit of a similar nature.

Corporate Income Tax charge is based on the reported gross financial result adjusted in respect of non-taxable income, non-deductible expenses, investment relief, donations and relief for losses incurred in prior years.

## Balance sheet as at 31 March 2017

	Note	Current year PLN	Previous year PLN
<b>ASSETS</b>			
<b>Current assets</b>		<b>3 247,77</b>	<b>4 267,77</b>
Short-term investments		3 247,77	4 267,77
Short term financial assets		3 247,77	4 267,77
cash and other monetary assets		3 247,77	4 267,77
- cash in hand and at bank		3 247,77	4 267,77
<b>Total assets</b>		<b>3 247,77</b>	<b>4 267,77</b>



## Balance sheet as at 31 March 2017

	Note	Current year PLN	Previous year PLN
<b>LIABILITIES and EQUITY</b>			
<b>Equity</b>		<b>(58 972,89)</b>	<b>(13 874,07)</b>
Share capital (fund)	1	5 000,00	5 000,00
Retained earnings (losses) brought forward	2	(18 874,07)	10 145,03
Net profit (loss) for the year	3	(45 098,82)	(29 019,10)
<b>Liabilities and provisions</b>		<b>62 220,66</b>	<b>18 141,84</b>
Provisions	3	18 000,00	-
Other provisions		18 000,00	-
Short-term liabilities		44 220,66	-
Related entities		44 220,66	-
other		44 220,66	-
Accruals and deferred income	4	-	18 141,84
Other accruals and deferred income		-	18 141,84
- short-term accruals and deferred income		-	18 141,84
<b>Total liabilities and equity</b>		<b>3 247,77</b>	<b>4 267,77</b>

## Profit and loss account

for the period from 1 April 2016 to 31 March 2017

	Note	Current year PLN	Previous year PLN
Sales	5	-	-
<b>Operating expenses</b>		<b>45 098,82</b>	<b>43 258,91</b>
External services		36 829,92	38 552,91
Taxes and charges, including		8 268,90	4 706,00
<b>Gross profit /(loss) after selling, general and administrative expenses</b>		<b>(45 098,82)</b>	<b>(43 258,91)</b>
<b>Other operating income</b>		-	<b>29 450,25</b>
Other operating income		-	29 450,25
<b>Other operating expenses</b>		-	<b>14 983,84</b>
Other operating expenses		-	14 983,84
<b>Operating profit (loss)</b>		<b>(45 098,82)</b>	<b>(28 792,50)</b>
<b>Financial expenses</b>		-	<b>226,60</b>
Interest, including interest payable		-	226,60
<b>Profit (loss) on ordinary activities before tax</b>		<b>(45 098,82)</b>	<b>(29 019,10)</b>
<b>Profit (loss) before tax</b>		<b>(45 098,82)</b>	<b>(29 019,10)</b>
<b>Income tax</b>	6	-	-
<b>Net profit/loss</b>		<b>(45 098,82)</b>	<b>(29 019,10)</b>

## Notes to the financial statements

for the period from 1 April 2016 to 31 March 2017

## 1 Equity

Shareholders	Number of shares	Current year	Previous year	
		Nominal value	Number of shares	Nominal value
UPL EUROPE LTD	100	5 000,00	100	5 000,00
<b>Total</b>	<b>100</b>	<b>5 000,00</b>	<b>100,00</b>	<b>5 000,00</b>

## 2 Retained earnings (losses) brought forward

	Current year	Previous year
Balance at the beginning of period	10 145,03	(152 575,65)
Balance at the beginning of period after adjustments	10 145,03	(152 575,65)
Increase/decrease on transfer of result for prior year	(29 019,10)	162 720,68
<b>Balance at the end of period</b>	<b>(18 874,07)</b>	<b>10 145,03</b>

## 3 Net profit (loss) for the year

Management Board proposal of covering the loss of the Company for 2016/2017 will be presented at the Annual General Meeting of Shareholders.

## 4 Short-term accruals

	As at 1 April 2016	Increases	Utilisation	Decreases	As at 31 March 2017	
accounting and audit fees	18 141,84	18 000,00	(18 141,84)		18 000,00	
<b>Total accruals and deferred income</b>	<b>18 141,84</b>	<b>18 000,00</b>	<b>-</b>	<b>18 141,84</b>	<b>-</b>	<b>18 000,00</b>

## Notes to the financial statements

for the period from 1 April 2016 to 31 March 2017

6 Corporate Income Tax	Current year	Previous year
<i>Accounting Tax Reconciliations</i>		
<i>Tax rate 19%</i>		
<i>Current Taxation</i>		
Profit/(loss) before tax	(45 098,82)	(29 019,10)
Permanent differences between accounting profit/(loss) and taxable profits:	6 858,86	2 135,72
<i>Costs and losses which are excluded from income-earning costs by taxation legislation, including:</i>	6 858,86	2 135,72
<i>Write-offs of receivables or overdue receivables</i>	-	1 908,59
<i>rounding</i>	-	0,53
<i>other</i>	6 858,86	226,60
<b>Profit/(loss) after adjustment for permanent differences</b>	<b>(38 239,96)</b>	<b>(26 883,38)</b>
Temporary differences between accounting profit/(loss) and taxable profits:	(141,84)	12 528,96
New differences arising during the period	18 000,00	31 216,56
decreases, including:	18 000,00	31 216,56
On temporary differences relating to write downs of assets	-	13 074,72
Accruals	18 000,00	18 141,84
Prior period temporary differences utilised	(18 141,84)	(18 687,60)
decreases, including:	(18 141,84)	(18 687,60)
Accruals	(18 141,84)	(18 687,60)
Financial costs	-	-
increases, including:	-	-
Financial income	-	-
<b>Taxable income</b>	<b>(38 381,80)</b>	<b>(14 354,42)</b>
<b>Tax base</b>	<b>(38 381,80)</b>	<b>(14 354,42)</b>
<b>Corporate Income Tax</b>	<b>-</b>	<b>-</b>

Tax losses can be carried forward for up to 5 years after the period in which the loss has incurred. In any given year of that period, up to 50% of tax loss incurred can be settled.

Tax losses for 2015/2016 in amount PLN 14.354,42 can be carried forward up to year ended 31.03.2021.

Tax losses for 2016/2017 in amount PLN 38.381,80 can be carried forward up to year ended 31.03.2022.

## 7 Tax movement

Corporate Tax liability as at 31.03.2016	-
Payment during 2016/2017	-
Corporate Tax liability as at 31.03.2017	-

## 8 Average number of employees

The Company does not employ staff.

**Notes to the financial statements  
for the period from 1 April 2016 to 31 March 2017**

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<b>9 Transactions with related parties</b>	<b>Current year</b>	<b>Previous year</b>
<b>Liabilities</b>		
UPL EUROPE LTD	44 220,66	-
<b>Liabilities write off</b>		
UPL EUROPE LTD	-	29 449,98

The Company does not have any external borrowings.  
Related party liabilities are not secured on company's assets.

<b>10 Exchange rates used for valuation of items in foreign currencies</b>	<b>Current year</b>	<b>Previous year</b>
EUR	4,2198	4,2684
GBP	4,9130	5,4078

  

<b>11 Group exchange rates</b>	<b>Current year</b>	
EUR	4,2204	4,2565
GBP	4,9283	5,3805

**12 Other information**

All other disclosure requirements contained in Schedule 1 of the Accounting Act of 29 September 1994 are not applicable.