UPL Australia Limited

ABN 76 066 391 384

Annual report for the year ended 31 March 2015

UPL Australia Limited

ABN 76 066 391 384

31 March 2015

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UPL Australia Limited

ABN 76 066 391 384

Directors' Report

For the Year Ended 31 March 2015

The directors of UPL Australia Limited ("the company") submit herewith the annual report of the company for the financial year ended 31 March 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors

The names and particulars of the directors of the company during or since the end of the financial year are:

Names	**Particulars**
Mr B.S.C. Yarrapotu	Managing Director since Nov 2005.
Mr G.M. Doyle	Director since Dec 1998. He also holds the position of the Company Secretary. Mr Doyle also acts as a non-executive director for a number of private companies.
Mr U Danayah	Director since March 2014.

The above named directors held office during the whole of the financial year and since the end of the financial year.

Company secretary

Mr G.M. Doyle held the position of company secretary of UPL Australia Limited at the end of the financial year

Principal activities

The principal activities of the company in the course of the financial year were the obtaining of product approvals and marketing of agriculture products. There have been no significant changes in the nature of the company's principal activities during the financial year.

Review of operations

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activities, the results of which are disclosed in the attached financial statements

The profit from ordinary activities after providing for income tax amounted to $134,684 (2014: $23,009).

Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

There were no dividends that have been paid or declared since the start of the financial year, and the directors do not recommend the payment of a dividend in respect of the financial year.

Shares under option

There were no options over issued shares, and no interests in the company were granted during or since the end of the financial year. There were no options outstanding at the date of this report.

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors’ meetings

The following table sets out the number of directors’ meetings held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 4 board meetings were held.

	Board of directors	
	Number eligible to attend	**Attended**
Mr B.S.C. Yarrapotu	2	2
Mr G.M. Doyle	2	2
Mr U Danayah	2	0

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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Directors' Report

For the Year Ended 31 March 2015

Auditor's independence declaration

The auditor's independence declaration is included after this report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Director: ....
Mr B.S.C. Yarrapotu

Sydney, 16 April 2015

Director: ....
Mr G.M. Doyle

Sydney, 16 April 2015

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
UPL Australia Limited
Suite 416, Level 4
Bella Vista NSW 2153

16 April 2015

Dear Board Members,

UPL Australia Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of UPL Australia Limited.

As lead audit partner for the audit of the financial statements of UPL Australia Limited for the financial year ended 31 March 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Andrew Hunt
Partner
Chartered Accountants

UPL Australia Limited

ABN 76 066 391 384

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2015

	Note	2015 $	2014 $
Revenue	3	27,005,975	19,575,319
Cost of sales		(21,345,161)	(14,633,337)
Gross profit		5,660,814	4,941,982
Other revenue	3	191,320	573,466
Marketing expense		(28,423)	(15,802)
Occupancy expense		(83,793)	(78,535)
Administrative expense		(2,378,357)	(1,934,492)
Employee benefits expense		(1,415,814)	(1,392,444)
Travelling expense		(207,684)	(218,927)
Finance costs		(329,964)	(484,852)
Other expenses		(1,335,893)	(1,357,526)
Profit before tax		72,206	32,870
Income tax benefit/(expense)	18	62,478	(9,861)
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		134,684	23,009

The accompanying notes form part of these financial statements.

UPL Australia Limited

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Statement of Financial Position

As At 31 March 2015

	Note	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	19(a)	4,178,599	3,279,253
Trade and other receivables	4	2,759,281	2,226,827
Inventories	5	5,742,953	7,076,339
Current tax asset	8	-	68,023
Total current assets		12,680,833	12,650,442
Non-current assets			
Other financial assets	6	11,715	11,715
Property, plant and equipment	7	153,929	254,935
Deferred tax asset	9	260,983	146,465
Intangibles	10	25,304	28,610
Total non-current assets		451,831	441,725
Total assets		13,132,664	13,092,167
Liabilities			
Current liabilities			
Trade and other payables	11	9,599,957	9,364,013
Current tax liability	12	52,040	-
Borrowings	13	-	999,168
Provisions	14	1,326,546	681,479
Other liabilities	15	176,815	204,885
Total current liabilities		11,155,358	11,249,545
Total liabilities		11,155,358	11,249,545
Net assets		1,977,306	1,842,622
Equity			
Issued capital	16	100,000	100,000
Retained earnings		1,877,306	1,742,622
Total equity		1,977,306	1,842,622

The accompanying notes form part of these financial statements.

UPL Australia Limited

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Statement of Changes in Equity

For the Year Ended 31 March 2015

	Ordinary shares $	Retained earnings $	Total $
Balance at 1 April 2014	100,000	1,742,622	1,842,622
Profit for the year	-	134,684	134,684
Balance at 31 March 2015	100,000	1,877,306	1,977,306

	Ordinary shares $	Retained earnings $	Total $
Balance at 1 April 2013	100,000	1,719,613	1,819,613
Profit for the year	-	23,009	23,009
Balance at 31 March 2014	100,000	1,742,622	1,842,622

The accompanying notes form part of these financial statements.

UPL Australia Limited

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Statement of Cash Flow

For the Year Ended 31 March 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		27,993,502	20,599,995
Payments to suppliers and employees		(25,835,583)	(23,310,564)
Interest received		4,725	21,122
Finance costs		(329,964)	(484,852)
Income taxes paid		68,023	278,602
Net cash generated by/ (used in) operating activities	19(b)	1,900,703	(2,895,697)
Cash flows from investing activities			
Payments for property, plant and equipment		(3,889)	(5,927)
Payments trademark and patent cost		1,700	(3,365)
Net cash used in investing activities		(2,189)	(9,292)
Cash flows from financing activities			
Repayment of borrowings		(999,168)	-
Net cash used in financing activities		(999,168)	-
Net cash increase /(decrease) in cash and cash equivalents		899,346	(2,904,989)
Cash and cash equivalents at beginning of year		3,279,253	5,185,074
Cash and cash equivalents at end of the year	19(a)	4,178,599	2,280,085

The accompanying notes form part of these financial statements.

1. General information

UPL Australia Limited ("the company") is a company limited by shares and incorporated in Australia. The addresses of its registered office and principal place of business are as follows:

Registered office	**Principal place of business**
Suite 416	Suite 416
Level 4, 14 Lexington Drive	Level 4,14 Lexington Drive
Bella Vista NSW 2153	Bella Vista NSW 2153

The principal activities of the company in the course of the financial year were the obtaining product approvals and marketing of agriculture products.

2. Significant accounting policies

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.
The financial statements comprise the financial statements of the company. For the purposes of preparing the financial statements, the company is a for-profit entity.
Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 16 April 2015.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The principal accounting policies are set out below.

(a) Going concern

The financial report of the company has been prepared on a going concern basis. This basis assumes that the company will be able to meet its debts as and when they become due and payable and that it will continue in operations without any intentions or necessity to liquidate or otherwise wind up its operations.

2. Significant accounting policies (cont'd)

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in credits for customers are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the credits granted. The consideration allocated to the credits is measured by reference to their fair value – the amount for which the credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction - but is deferred and recognised as revenue when credits are redeemed and the company's obligations have been fulfilled.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Significant accounting policies (cont'd)

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(e) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

(f) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2. Significant accounting policies (cont'd)

(f) Taxation (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

<u>Current and deferred tax for the year</u>

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(g) Cash and cash equivalents

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

(h) Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

2. Significant accounting policies (cont'd)

(h) Property, plant and equipment (cont'd)

The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation rates
Plant and equipment	25%
Furniture, fixtures and fittings	20%
Motor vehicles	20%
Computer equipment	20%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(i) Trade and other receivables

Trade receivables, which generally have 30 to 60 day terms, are recognised initially at fair value and subsequently measured at fair value less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the group will not be able to collect the debt.

To improve liquidity the entity has entered into a debtors factoring agreement with Rabobank. Debtors are consolidated world-wide on a monthly basis by the parent company UPL India Limited and sold to an intermediary group company, UPL Finance B.V which then on-sells the debtors to Rabobank.

Rabobank in return purchases the debtors at cost less finance charges. The funds in receipt are then distributed back to subsidiaries of UPL India world-wide.

(j) Intangible assets

<u>Patents and trademarks</u>

Patents and trademarks with finite lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2. Significant accounting policies (cont'd)

(k) Impairment of assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(m) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(n) Financial instruments

Financial assets and financial liabilities are recognised when a company entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

2. Significant accounting policies (cont'd)

(n) Financial instruments (cont'd)

Financial assets (cont'd)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

2. Significant accounting policies (cont'd)

(n) Financial instruments (cont'd)

Financial liabilities (cont'd)

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(p) Foreign currencies

The financial statements of the company are presented in the currency of the primary economic environment in which the company operates (its functional currency). For the purpose of the financial statements, the results and financial position are expressed in Australian dollars ('$'), which is the functional currency of the company and the presentation currency for the financial statements.

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

2. Significant accounting policies (cont'd)

(q) Application of new and revised Accounting Standards

Amendments to AASBs and the new Interpretations that are mandatorily effective for the current year

In the current year, the company has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

Standard name	Requirements
AASB 2012-3 'Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities'	The company has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments have been applied retrospectively. The company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the company's financial statements.
AASB 1031 'Materiality'	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the company's financial statements.
AASB 2013-9 'Amendments to Australian Accounting Standards' – 'Part B: Materiality'	This amending standard makes amendments to particular Australian Accounting Standards to delete references to AASB 1031, at the same time it makes various editorial corrections to Australian Accounting Standards as well. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the company's financial statements.

2. Significant accounting policies (cont'd)

(q) Application of new and revised Accounting Standards (cont'd)

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards[1]	1 April 2018	31 March 2019
AASB 2014-1 'Amendments to Australian Accounting Standards' - Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles' - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)' - Part C: 'Materiality'	1 April 2015	31 March 2016
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 April 2016	31 March 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 April 2016	31 March 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 April 2016	31 March 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 April 2016	31 March 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 April 2016	31 March 2017
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 April 2016	31 March 2017

[1] The AASB has issued the following versions of AASB 9 and the relevant amending standards;

- AASB 9 'Financial Instruments' (December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures', AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' – Part C: Financial Instruments and AASB 2014-1 'Amendment to Australian Accounting Standards' – Part E: Financial Instruments
- AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure', AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' – Part C: Financial Instruments and AASB 2014-1 'Amendment to Australian Accounting Standards' – Part E: Financial Instruments
- AASB 9 'Financial Instruments' (December 2014) and AASB 2014-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)'

AASB 2014-8 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) - Application of AASB 9 (December 2009) and AASB 9 (December 2010)'. For annual reporting periods beginning on or after 1 January 2015, an entity may elect to early adopt either AASB 9 (December 2009) or AASB 9 (December 2010) and the relevant amending standards if the entity's relevant date of initial application is before 1 February 2015, however after that point if an entity wishes to early adopted AASB 9, it must adopt the AASB 9 (December 2014) version.

3. Revenue

	2015	2014
	$	$
Revenue		
Revenue from the sale of goods	27,005,975	19,575,319
	27,005,975	19,575,319
Other revenue		
Interest income	4,725	21,122
Other revenue	186,595	552,344
	191,320	573,466

4. Trade and other receivables

	2015	2014
	$	$
Trade receivables	2,580,792	2,014,604
Provision for doubtful debts	-	-
	2,580,792	2,014,604
Other receivables	71,290	50,822
Amounts receivable from:		
Other related parties	107,199	161,401
	2,759,281	2,226,827

At 31 March 2015, the amount of trade receivables sold to UPL Finance B.V. on a non-recourse basis in the framework of the receivables sale agreement amounts to AUD$10,273,760. These receivables are derecognised from the statement of financial position. Also refer to note 11.

4. Trade and other receivables (cont'd)

Age of receivables that are past due but not impaired	**2015**	**2014**
	$	**$**
Trade receivables		
<30 days	2,687,991	2,176,005
31 - 60 days	-	-
61 - 90 days	-	-
>90 days	-	-
	2,687,991	2,176,005
Other receivables		
Within initial trade terms	71,290	50,822
<30 days	-	-
31 - 60 days	-	-
61 - 90 days	-	-
	71,290	50,822
Total	2,759,281	2,226,827

5. Inventories

	2015	**2014**
	$	**$**
At cost		
Raw materials and stores	86,546	97,357
Finished goods	5,656,407	6,978,982
Provision for stock obsolescence	-	-
	5,742,953	7,076,339

6. Other financial assets

Other investments (i)	11,715	11,715
	11,715	11,715

(i) Other investments include non-controlling interest of 6.62% in PT United Phosphorus Indonesia.

7. Property, plant and equipment

Plant and equipment		
At cost	804,433	804,433
Accumulated depreciation	(658,136)	(566,888)
Total plant and equipment	146,297	237,545
Furniture, fixture and fittings		
At cost	35,631	35,631
Accumulated depreciation	(34,693)	(28,429)
Total furniture, fixture and fittings	938	7,202
Office equipment		
At cost	49,889	46,000
Accumulated depreciation	(43,295	(35,812)
Total office equipment	6,594	10,188
Total property, plant and equipment	153,829	254,935

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment $	Furniture, fixtures and fittings $	Office equipment $	Total $
Balance at the beginning of period	237,545	7,202	10,188	254,935
Additions	-	-	3,889	3,889
Depreciation expense	(91,248)	(6,264)	(7,483)	(104,995)
Balance at 31 March 2015	146,297	938	6,594	153,829

8. Current tax assets

	2015 $	2014 $
Current tax receivable	-	68,023

9. Deferred tax assets

Deferred tax assets	260,983	146,465

10. Intangibles

	2015	2014
	$	$
Trademarks		
At cost	51,756	50,056
Accumulated amortisation	(26,452)	(21,446)
	25,304	28,610

11. Trade and other payables

Unsecured liabilities		
Trade payables	5,547,007	3,774,517
Other payables	1,380,680	290,330
Amount payable to:		
Parent company - Biowin Corporation	1,386,906	1,945,334
Other related parties	1,285,364	3,353,832
	9,599,957	9,364,013

The average credit period on purchases of goods is 60 days. No interest is charged on the trade payables. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Other related parties balance also includes debtor factoring amount yet to be distributed to UPL India Limited which has been derecognised in trade receivables. See note 4.

12. Current tax liability

Current tax payable	52,040	-

13. Borrowings

Secured - at amortised cost			
Bank overdraft	(a)	-	999,168
Current		-	999,168
Non-current		-	-
		-	999,168

(a) The bank overdraft of UPL Australia Limited is guaranteed by the parent entity, UPL India Limited.

14. Provisions

Employee benefits	(b)	623,713	309,129
Other provisions		702,833	372,350
		1,326,546	681,479

(b) The provision for employee benefits represents annual leave, vesting long service leave entitlements accrued and compensation claims made by the employer.

Current	1,326,546	681,479
Non-current	-	-
	1,326,546	681,479

14. Provisions (cont'd)

	Provision for discounts	Total
Other provisions	**$**	**$**
Balance at 1 April 2014	372,350	372,350
Additional provisions	330,483	330,483
Balance at 31 March 2015	702,833	702,833

15. Other liabilities

	2015	2014
	$	**$**
Ultima container deposits	178,815	204,885
Current	178,815	204,885
Non-current	-	-
	178,815	204,885

16. Issued capital

100,000 Ordinary shares (2014: 100,000)	100,000	100,000
	100,000	100,000

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

17. Financial instruments

Capital management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2014.

The capital structure of the company consists of net debt (borrowings as detailed in note 13 and offset by cash and bank balances) and equity of the company (comprising issued capital, as detailed in note 16 and retained earnings).

The company is not subject to any externally imposed capital requirements.

The company's management reviews the capital structure of the company regularly. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

17. Financial instruments (cont'd)

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

	2015	2014
	$	**$**
Debt (i)	-	999,168
Trade and other payables	9,599,957	9,364,013
Less: cash and cash equivalents	(4,178,599)	(3,279,253)
Net debt	5,421,358	7,083,928
Equity (ii)	1,977,306	1,842,622
Total capital	7,398,664	8,926,550
Gearing ratio	73.3%	79.4%

(i) Debt is defined as long-term and short-term borrowings, as described in note 13.

(ii) Equity includes all capital of the company that are managed as capital.

Financial risk management objectives

The company's management monitors and manages the financial risks relating to its operations and analyses exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The company does not have any derivative financial instruments.

(a) Market risk

The company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency.

There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

i. Interest rate risk management

The company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The exposure to changes in interest rate will impact profit. On the basis of +/- 2% change, it is estimated, the impact on profit would be +/- $83,572. This estimate takes into account the relevant risk variables that management considers to be reasonably possible.

ii. Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the company holds financial instruments which are other than the functional currency (Australian dollar) of the company.

17. Financial instruments (cont'd)

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The company does not have significant concentration of credit risk with respect to any single counter party or company of counter parties.

Collateral held as security and other credit exposures

The company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

(c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the company's short medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining a reputable credit risk profile, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and monitoring undrawn credit facilities.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

18. Income taxes

(a) Income tax expenses

	2015	2014
	$	$
Tax (benefit)/expenses comprise:		
Current tax expense	23,163	9,861
Deferred tax (benefit)/ expense not previously brought into account	(85,641)	-
Total tax (benefit)/expense	(62,478)	9,861

18. Income taxes (cont'd)

	2015	2014
	$	$
The Prima facie income tax expense in the statement of profit or loss and other comprehensive income is as follows:		
Profit before income tax from continuing operations	72,206	32,870
Income tax expense calculated at 30%	21,662	9,861
Effect of expenses that are not deductible in determining taxable	1,502	-
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recouped	(85,641)	-
	(62,478)	9,861

The tax rate used in the above reconciliation is the corporate tax rate 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Current tax assets and liabilities

	2015	2014
Current tax assets	-	68,023
Current tax liabilities	(52,040)	-

(c) Deferred tax balances

	2015	2014
Deferred tax assets comprise:		
Temporary differences	260,983	91,724
Tax losses - revenue	-	-
	260,983	91,724

(d) Adjusted franking account balance

	2015	2014
Ordinary shares 30% franking credits available to shareholders of UPL Australia Limited for subsequent financial years	1,201,680	1,286,003

19. Cash and cash equivalents

	2015 $	2014 $
Cash on hand	500	500
Cash at bank	4,178,099	3,278,753
	4,178,599	3,279,253

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Note	2015	2014
Cash and cash equivalents		4,178,599	3,279,253
Bank overdraft	13	-	(999,168)
		4,178,599	2,280,085

(b) Reconciliation of profit for the year to net cash flows from operating activities

	2015 $	2014 $
Cash flows from operating activities		
Profit for the year	134,684	23,009
Non-cash flows in profit from ordinary activities		
Depreciation and amortisation	106,600	117,482
Unrealised gains/(losses)	-	(3,382)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	(532,454)	(1,487,392)
(Increase)/decrease in inventories	1,333,386	(836,431)
Increase/(decrease) in trade and other payables	235,943	(840,035)
(Increase)/decrease in income taxes payable	5,545	152,416
Increase/(decrease) in provisions	645,069	(774)
Increase/(decrease) in other liabilities	(28,070)	(20,590)
Cash generated by/ (used in) operations	1,900,703	(2,895,697)

20. Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2015	2014
	$	$
Short-term employee benefits	594,283	536,406
	594,283	536,406

21. Related party transactions

The immediate parent and ultimate controlling party respectively of the company are UPL Limited (incorporated in India) and Biowin Corporation Limited (incorporated in Mauritius).

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	2015	2014	2015	2014
	$	$	$	$
UPL NZ Limited	73,199	67,185	-	-
UPL Indonesia Limited	34,000	34,000	-	-
UPL India Limited	-	-	84,000	3,182
UPL Vietnam Limited	-	61,760	1,000,152	2,420,552
UPL Gibraltar Limited	-	-	131,790	200,850
Biowin Corporation Limited	-	-	1,386,906	1,945,334
UPL Inc.	-	-	24,027	34,706
UPL Hong Kong Limited	-	-	-	405,547
UPL United Kingdom Limited	-	-	-	346,341
UPL Finance B.V.			10,273,760	4,049,222

Sales of goods to related parties were made at the company's usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

22. Remuneration of auditors

	2015	2014
	$	$
Audit of the financial statements	28,000	27,000
Taxation services	5,000	4,000
	33,000	31,000

The auditor of UPL Australia Limited is Deloitte Touche Tohmatsu.

23. Operating lease arrangements

Non-cancellable operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

	2015 $	2014 $
Payable - minimum lease payments:		
Not later than one year	66,275	56,653
Later than 1 year and not later than 5 years	265,100	-
	331,375	56,653

Operating leases relate to lease of office space with lease term of 5 years.

UPL Australia Limited

ABN 76 066 391 384

Directors' Declaration

For the Year Ended 31 March 2015

The directors of the company declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes, as set out on pages 9 to 30 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Mr B.S.C Yarrapotu
Director

Mr G.M. Doyle
Director

Sydney, 16 April 2015

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Independent Auditor's Report
to the Directors of UPL Australia Limited

We have audited the accompanying financial report of UPL Australia Limited, which comprises the statement of financial position as at 31 March 2015, the statement profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 31

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of UPL Australia Limited on 16 March 2015, would be in the same terms if given to the directors as at the time of this auditor's report

Opinion

In our opinion:

(a) the financial report of UPL Australia Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 31 March 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Andrew Hunt
Partner
Chartered Accountants
Parramatta, 21 April 2015