"Ranbaxy Pharmaceuticals Ukraine" LLC

Financial Statements

For the year ended 31 December 2017

& Independent Auditor`s Report

CONTENTS

LLC "RANBAXY PHARMACEUTICALS UKRAINE"
DIRECTORS' REPORT
For the year ended 31 December 2017

The director have pleasure in presenting the report for the year ended 31 December 2017.

Review of business and operations

Main business and operations

The company is established on 13.06.2012 and engaged in import and trade of pharmaceutical products.

The operating results and state of affairs of the company are fully set out in financial Statements for 2017.

Financial result for the year 2017 is a net profit in amount of UAH 12 715 thousands (2016: net loss UAH 2 947 thousands).

Events after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year.

Authorised and issued share capital

Authorized share capital as per the Charter is UAH 39 950 thousand. There were no changes in the authorised share capital of the company during the year 2017.

Dividends

No dividends were declared or paid to the shareholders during the year.

Directors

The director of the company during the year and to the date of this report is following:

Name	Nationality
Alok Batra	India

Secretary

The company had no secretary during the year.

Holding company

The holding companies are Sun Pharma (Netherlands) BV 99% and Ranbaxy Holdings (UK) Limited 1%.

Auditor in 2017

"HLB Ukraine" LLC

Business address Postal address Registered office

175, Kharkivske shosse,

Kyiv, Ukraine

02121

Financial statements for the year 2017 were approved on 15 February 2018 on behalf of the Company's management:

Alok Batra, Director

Ref. No. 21-AB
as of 15.02.2018

INDEPENDENT AUDITOR'S REPORT

To the owners of
the Limited Liability Company «Ranbaxy Pharmaceuticals Ukraine»

Opinion

We have audited financial statements of the "Ranbaxy Pharmaceuticals Ukraine" LLC (further – the Company), which comprise the Statement of Financial Position as at 31.12.2017, Statement of Comprehensive Income, Statement of cash flows, and Statement of Changes in Equity for the year then ended, and Notes to the annual financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) and with the ethical requirements that are relevant to our audit of the financial statements in Ukraine, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise form fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken of the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misinterpretations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deputy General Director
Head of Audit Department
HLB UKRAINE LLC
(Certificate A No. 006259 ACU,
Certificate ACCA DipIFR No. 1660109) Serhii Rohoznyi

HLB UKRAINE LLC
11/11 Gusovskogo Street, office 3, Kyiv, Ukraine

February 15, 2018

LLC "RANBAXY PHARMACEUTICALS UKRAINE"
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017
(in UAH thousand, unless otherwise stated)

	Notes	2017	2016
Revenue from sales	17	298 479	266 640
Cost of sales		(165 625)	(194 830)
Gross profit		**132 854**	**71 810**
Administrative expenses	18	(26 368)	(22 407)
Distribution costs	19	(106 193)	(86 046)
Other operative income	20	19 848	55 814
Other operative expenses	21	(5 040)	(15 470)
Finance income	13	414	50
Profit/(loss) before tax		**15 515**	**3 751**
Income tax expense	10	(2 800)	(804)
Profit/(loss) for the year		**12 715**	**2 947**
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		**12 715**	**2 947**

Alok Batra
Director

Irina Poltieva
Chief Accountant
Finance

Notes on pages 10 - 26 form an integral part of these financial statements

LLC "RANBAXY PHARMACEUTICALS UKRAINE"
STATEMENT OF FINANCIAL POSITION
As at 31 December 2017
(in UAH thousand, unless otherwise stated)

	Notes	2017	2016 Revised*
Assets			
Non-current assets			
Intangible assets	9	488	547
Property and equipment	8	769	1 080
Deferred tax assets	10	1 885	1 924
		3 142	**3 551**
Current assets			
Inventories	11	41 544	75 816
Trade and other receivables	12	29 673	13 222*
Cash and short-term deposits	13	10 622	12 329
		81 839	**101 367***
Total assets		**84 981**	**104 918***
Equity and liabilities			
Equity			
Authorized capital	14	39 950	39 950
Retained earnings		15 385	2 670
Total equity		**55 335**	**42 620**
Current liabilities			
Trade and other payables	15	12 317	46 636*
Provision of current costs	16	16 016	15 662*
Current liabilities on tax on profit	17	1 313	-
		29 646	**62 298***
Total liabilities		**29 646**	**62 298***
Total equity and liabilities		**84 981**	**104 918***

* The Company has changed the disclosure in financial statements for the year ended 31 December 2017 of the provision created to the amount of VAT tax credit loss in the amount of UAH 7 667 thousand, which was reflected in financial statements for the year ended 31 December 2016 as reduction of advance payment to budget in balance sheet assets. Accordingly, the balances on balance sheet items "Trade and other receivables", "Trade and other payables" and "Provision of current costs" in 2016 were revised.

Alok Batra
Director

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LLC "RANBAXY PHARMACEUTICALS UKRAINE"
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017
(in UAH thousand, unless otherwise stated)

	Authorized capital	Retained earnings	Total
As at 31 December 2015	39 950	(277)	39 673
Profit for the year	-	2 947	2 947
Other comprehensive income	-	-	-
Total comprehensive income	**-**	**2 947**	**2 947**
As at 31 December 2016	**39 950**	**2 670**	**42 620**
Profit for the year	-	12 715	12 715
Other comprehensive income	-	-	-
Total comprehensive income	**-**	**12 715**	**12 715**
As at 31 December 2017	**39 950**	**15 385**	**55 335**

Alok Batra
Director

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LLC "RANBAXY PHARMACEUTICALS UKRAINE"
STATEMENT OF CASH FLOWS
For the year ended 31 December 2017
(in UAH thousand, unless otherwise stated)

	Notes	2017	2016
Cash flows from operating activities			
Profit/(loss) before tax		15 515	3 751
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property and equipment	8	399	396
Amortisation of intangible assets	9	146	128
Write-off payables	20	(19 714)	(55 771)
Other (income)/expenses		37	18
Provision for VAT tax credit loss	21	-	7 667
Net foreign exchange differences	21	2 973	5 858
Working capital adjustments:			
(Increase)/Decrease in inventories		34 272	11 009
(Increase)/Decrease in trade and other receivables		(16 498)	2 314
Increase in trade and other payables		(17 574)	24 242
Increase in provision of current costs		354	2 785
Income tax (paid)/refund		(1 402)	956
Net cash flows from/(used) in operating activities		**(1 492)**	**3 352**
Cash flows from investing activities			
Purchase of property and equipment	8	(128)	(437)
Purchase of intangible assets	9	(87)	(188)
Net cash flows used in in investing activities		**(215)**	**(625)**
Cash flows from financing activities			
Net cash flows from/(used) in financing activities		-	-
Net increase/(decrease) in cash and short-term deposits		(1 707)	2 727
Cash and short-term deposits at 1 January	13	12 329	9 602
Cash and short-term deposits at 31 December	13	**10 622**	**12 329**

Alok Batra
Director

Irina Poltieva
Chief Accountant
Finance

Notes on pages 10 - 26 form an integral part of these financial statements

1. Background

Limited Liability Company "Ranbaxy Pharmaceuticals Ukraine" (hereinafter referred to as "the Company") specializes in wholesale of pharmaceutical goods on the territory of Ukraine.

Limited Liability Company "Ranbaxy Pharmaceuticals Ukraine" registered 13 June 2012 under the current legislation of Ukraine.

The controlling party of the Company is Sun Pharmaceutical Industries Limited (hereinafter the "Parent Company"), registered in India and listed on the Bombay Stock Exchange and on the National Stock Exchange of India. No private individual has control over the Company and its Parent Company.

The legal address of the Company: Ukraine, 02121, Kyiv, Kharkivske shosse, 175.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Reporting date and reporting period

The date of the annual financial statements for 2017 is 31 December 2017. Previous reporting period lasted from 1 January 2016 to 31 December 2016.

Functional currency and reporting unit of measurement

The financial statements are presented in UAH, which is also the Company's functional currency. All financial information presented in Ukrainian hryvnias, rounded to the nearest thousand, unless otherwise indicated.

Going Concern

The financial statements have been prepared on a going concern basis, which envisages the realization of assets and satisfaction of liabilities and commitments in the normal course of business.

3. Operating environment, risks, and economic conditions

Political crisis – starting from January 2014, Ukraine has been in a political and economic turmoil. Crimea, an autonomous republic of Ukraine, was effectively annexed by the Russian Federation. Ukraine had also suffered from the separatist movements and the collapse of law enforcement in Luhansk and Donetsk regions.

The Ukrainian Hryvnia ("UAH") has devalued against major foreign currencies. The National Bank of Ukraine introduced a range of stabilisation measures aimed at limiting outflow of customer deposits from the banking system, improving liquidity of banks and stabilisation of the exchange rate of UAH against major foreign currencies.

Significant external financing is required to support the economy. Stabilisation of the economic and political situation depends, to a large extent, upon success of the Ukrainian government's efforts, yet further economic and political developments are currently difficult to predict.

Whilst management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances. However, continued and unexpected further deterioration in the areas described above could negatively affect the Company's results and financial position in a manner not currently determinable as of now.

4. Summary of significant accounting policies

Property and equipment

Property and equipment are recognized in the statement of financial position of the Company at historical cost less accumulated depreciation and impairment losses. Cost of property and equipment includes purchase price and any direct attributable costs. For constructed facilities - the cost includes all costs directly related to the construction of the building (materials, wages, depreciation of equipment involved in construction and so on).

Repairs and maintenance expenditures relating to the composition of the period in which such expenses are incurred.

The costs of reconstruction and modernization are capitalized.

Gains (losses) on disposals of property and equipment recorded in profit or loss as they actually incurred.

Capital investments include equipment to establish and advances issued for the purchase of fixed assets are not subject to amortization.

The cost of property and equipment is charged through depreciation over the useful life of the asset. For all of fixed assets, depreciation is calculated using straight-line method.

Company's facilities and equipment are divided as follows:

- Office equipment, furniture and fixtures;
- Vehicles;
- Other fixed assets.

For each item of property established its expected useful life. In some cases, the expected useful life may be shorter than the period of the economic life of an asset because of the nature of asset. Estimation of useful life of the asset is carried out using professional judgment based on experience with similar assets of the Company. The expected useful life on a regular basis (usually annually) inspected and, if necessary, revised.

Depreciation is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

Group assets	Period (years)
Office equipment, furniture and fixtures	2-10
Vehicles	5
Other fixed assets	2-5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end in accordance with IAS 8 (IAS 8) "Accounting Policies, Changes in Accounting Estimates and mistakes" Such estimates can have a significant impact on the carrying value of property and equipment and the depreciation during the period.

Intangible assets

Intangible assets are recorded at historical cost less accumulated depreciation and accumulated amounts of possible impairment.

Self-created intangible assets are recognized only when they are created under development (in the sense of IAS 38 "Intangible Assets") and the Company can demonstrate the following:

- The technical feasibility of completion of intangible asset so that it can be used or sold;
- The intention to complete the creation of an intangible asset and use or sell it;
- Is able to use the intangible asset;
- The way in which the intangible asset will generate probable future economic benefits;
- Availability of adequate technical, financial and other resources to complete development, use of the asset.
- The ability to estimate reliably the costs attributable to the intangible asset during its development.

Depreciation is calculated on a straight-line basis over the useful life of the asset. Estimated useful lives of intangible assets is from 2 to 5 years. Intangible assets are tested for impairment at the end of each reporting period. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. During the reporting period the Company's intangible assets were primary presented by computer software.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of sales includes only the carrying amount of inventories that were used in the reporting period. The cost is determined based on FIFO method.

4. Summary of significant accounting policies (continued)

Financial instruments

Recognition of financial instruments

Financial assets and financial liabilities of the Company include cash and cash equivalents, accounts receivable and accounts payable, other liabilities and loans. The accounting policies for their recognition and measurement are disclosed in notes to the financial statements.

During the reporting period, Company did not use any financial derivatives, interest rate swaps and forward contracts to reduce the foreign currency or interest rate risks.

The Company recognizes financial assets and financial liabilities in its statement of financial position if they are part of the contractual obligations for financial instruments. Financial assets and liabilities are recognized on the transaction date.

According to IAS 39 "Financial Instruments: Recognition and Measurement", financial assets are classified into the following four categories: financial assets 'at fair value through profit or loss'; 'loans and receivables'; 'held to maturity' investments and 'available-for-sale' financial assets. Upon initial recognition, financial assets are recognized at fair value plus, if they aren't investments at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of a financial asset.

The Company classifies financial assets after initial recognition and, if allowed or appropriate, revises the classification at the end of each financial year.

The company has only category of financial assets: receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition loans and receivables carried at amortized cost using the effective interest method, less provision for impairment. Amortized cost is calculated taking into account discounts or premiums arising on acquisition and includes fees that are an integral part of the effective interest rate and the cost of the transaction. Gains or losses arising from the termination of the asset are in the financial statements, the depreciation and amortization charge recognized in the income statement for the period.

On initial recognition of the loan issued at fair value issued by funds, which are determined using market interest rates for similar instruments if they differ significantly from the interest rate on loans. The loans are measured at amortized cost using the effective interest method. The difference between the fair value of issued capital and the amount of the loan is recognized as interest receivable over the term of the loans. Amortized cost is calculated by taking into account any costs associated with the transaction, and any discount or premium at maturity.

Loans maturing more than twelve months from the date of statement of financial position are included in non-current assets.

Receivables displayed with regard to value added tax (VAT) and initially counted the cost, which will have to pay the debtor. Trade and other receivables are adjusted for the amount of the allowance for impairment. Provision for doubtful debts is created when there is objective evidence that the Company will not be able to collect all debts with regard to initial conditions. If the receivables is uncollectible, it is written off against the allowance for doubtful receivables. Payment of amounts previously written off is recognized as revenue in the period.

Fair value

The fair values of financial assets and liabilities are estimated using available market information and appropriate valuation techniques. However, to interpret market data to estimate the fair value of the required qualified opinion. Accordingly, the assessment does not necessarily indicate the amount that can be implemented in existing markets. The use of different market assumptions and / or estimation methods could have a significant impact on the estimated fair value.

Fair values of financial assets and liabilities are estimated using a discounted cash flow and other appropriate valuation techniques by the end of the year; it does not indicate the fair value of these instruments at the date of these financial statements. These estimates do not reflect any premium or discount that could result from the simultaneous sale offers a complete package of specific financial instruments of the Company. Fair value estimates are based on judgments regarding anticipated future cash flows, current economic conditions, risks inherent in various financial instruments and other factors.

Fair value is based on existing financial instruments without attempting to estimate the expected value of the futures transaction and the value of assets and liabilities that are not considered financial instruments.

4. Summary of significant accounting policies (continued)

Provision for impairment of trade and other receivables

The Company can create the provision for impairment of trade and other receivables based on the evaluation of the Company debt recovery capabilities with specific customers. If a decrease in the creditworthiness of any key customer, or actual losses from default by debtors exceed evaluation of the Company, actual results may differ from these estimates.

If the Company determines that there is no objective confirmation of specific impairment of receivables, regardless of the amount of such receivables included in the category of receivables with similar credit risk characteristics. The aggregate debt of the following categories, in turn, is tested for impairment.

Credit risk characteristics, according to which there is a grouping of receivables related to the estimation of future cash flows generated by such indebtedness in turn depend on the ability of the debtor to repay according to the agreed conditions.

Future cash flows on a group of debtors that are assessed collectively for impairment are determined with contractual cash flows, current economic conditions in general terms the emergence of receivables, the experience of the Company to write-off these debts in the past, the creditworthiness of customers, changes in payment terms and contracts other circumstances which, in the opinion of the Company, may affect the future cash flows from such liability.

Changes in the economy, sectoral specifics or the financial situation of individual clients may result in adjustments to the value of provision for impairment of trade and other receivables recognized in the financial statements.

Cash and cash equivalents

The structure of funds includes cash in bank accounts and cash on hand. Cash equivalents also include short-term investments that can be readily converted into cash, with a maturity of three months from the date of acquisition, the cost of which is subject to minor fluctuations.

Value added tax

VAT amounts paid by the Company in the acquisition of goods and services using a tax rate of 7 percent and 20 percent rate, it included the tax credit in general terms. This applies to tax bills that compiled since 1 April, 2014 and subsequent periods.

Revenue, expenses and assets are recognised net of the amount of value added tax ("VAT"), except:

- Where VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case VAT is recognised as a part of the cost of acquisition of the asset or as a part of the expense item, as applicable; and
- When accounts receivable and accounts payable are stated including the amount of VAT.

Equity

Equity of the Company includes the following elements: capital, unpaid capital and retained earnings.

The authorized capital is the share capital recorded in the charter and registered in the Unified State Register of Enterprises and Organizations of net outstanding amount at the end of the reporting period. Total income includes: accrued income (loss) of current and prior periods and accumulated other comprehensive income.

Financial liabilities

Financial liabilities are divided into 2 categories:

- Financial liabilities accounted for at fair value through profit or loss;
- Financial liabilities carried at amortized cost.

Financial liabilities are revalued through profit or loss

Upon initial recognition, financial liabilities may be classified as fair value through profit or loss if the following criteria are met:

(i) classification in this category eliminates or significantly reduces inconsistencies in treatment that otherwise would arise when assessing the liabilities or recognizing gains or losses on them;

(ii) the liabilities are part of a group of financial liabilities managed and their performance against which they are assessed fair values in accordance with the risk management policy;

(iii) the financial liability contains an embedded derivative that must be separately reflected in the financial statements.

As at the balance sheet date, the Company had no financial obligations that could be classified as fair value through profit or loss.

4. Summary of significant accounting policies (continued)

Accounts Payable

Payables initially determined and displayed according to the policy regarding financial instruments. Later fixed maturity is measured at amortized cost using the effective interest rate. Amortized cost is calculated by taking into account any costs associated with the transaction, and any discount or premium at maturity. Financial liabilities that do not have fixed subsequently at cost.

Liabilities for dividends

The obligation to pay dividends recognized as liabilities in the period in which the dividends are approved by shareholders.

Leases

Lease, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item is to be classified as a finance lease. Other leases are classified as operating leases.

The cost of operating lease is charged evenly over the lease object.

Assets obtained under finance leases are recognized and recorded as fixed assets at lower of: the fair value of the acquisition-date or present discounted value of the minimum lease payments.

Income tax

Income tax expense represents the sum of current income and deferred taxes.

Current income tax is based on taxable profit for the year. The Company's current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Total current tax payable is calculated by the Company on profit before tax, determined by the laws of Ukraine using the tax rate in effect at the balance sheet date and includes adjustments to tax liabilities for previous years.

Deferred tax

Deferred tax is provided using the balance sheet method on amount of temporary differences between the carrying amounts of assets and liabilities used for financial reporting and their value used for tax purposes. The value of deferred tax is determined by the expected manner of realization of assets or the payment of liabilities using tax rates enacted or announced at the balance sheet date. Deferred tax assets and liabilities are offset for financial reporting purposes because they relate to income taxes imposed by the same taxation authority.

Deferred tax assets and liabilities are reviewed at each reporting date and reduced if it is clear that there will be obtained an appropriate profit before tax. Assessment of probability includes judgments based on the expected results of operations. To assess the likelihood of realization of deferred tax assets (liabilities) in the future, various factors including operating results of previous years, the operational plan, expiration of tax loss compensation and tax planning strategies. If actual results differ from estimated or these estimates should be revised in future periods, it can have a negative impact on the financial position, results of operations and cash flows. If the value of the recognition of deferred tax assets in the future should be reduced, this reduction will be recognized in the income statement.

A deferred tax asset is recognized only in amount not exceeding the expected future tax rate on profit before tax, due to which the asset will be realized. The amount of the deferred tax asset is reduced when receiving all the benefits of its implementation is unlikely.

Reserves and allowances

Provisions are recognized when the Company, as a result of a past event, has a legal or constructive obligation for the settlement of which is likely to need an outflow of resources bearing in future economic benefits and which can be estimated with a high degree of reliability.

Revenue Recognition

Revenue is recorded at fair value of the consideration received or receivable expected.

Proceeds from the sale - is the value of output set by customers during the period. Management believes that the assumptions used and judgments underlying the data are reasonable. However, changes in these assumptions may affect the amount recognized in the statements of income.

4. Summary of significant accounting policies (continued)

Proceeds from sale of tangible assets is shown in the income statement when the significant risks and rewards of ownership of those assets transferred to the buyer, the amount of revenue can be reliably measured, and the likely flow to the enterprise economic benefits associated with the transaction and the costs incurred or to be incurred in the future on this transaction can be reliably determined. The date of the recognition of revenue on such transactions is the date of shipment to buyers of tangible assets, unless otherwise indicated in most contracts.

Revenues for service contracts displayed on the stage of completion of the contract.

Interest income is recognized in the income statement on an accrual basis based on the principal amount and the effective interest rate that discounts estimated future cash inflows over the life of the financial asset to the residual value of the asset.

5. Changes in accounting policies and disclosures

5.1. New and amended standards and interpretations, amendments to existing standards

The Company has applied some Amendments to standards that become effective for annual periods beginning on or after January 1, 2017. The company did not apply pre-term standards, clarifications or amendments that were issued but not in force.
The nature and impact of each amendment are described below:

Amendments to existing standards

- Amendments to IAS 7 Cash flow report: Initiative in the field of disclosure

Amendments requires the Company to disclose changes in financial liabilities, including changes in cash flows, and changes not related to cash flows (for example, gains or losses from changes in foreign exchange rates). The Company has provided the information for both the current and the previous comparative period in the Note 21.

- Amendments to IAS 12 Income taxes: Recognition of deferred tax assets in respect to unrealized losses

Amendments clarify that the Company must take into account whether the tax legislation restricts the source of tax profits against which it can deduct when restoring such temporary difference deducted from unrealized losses. In addition, the amendments provide guidance how to determine future tax revenue and describe the circumstances in which tax revenue may include the reimbursement of some assets in amount that exceeds their carrying amount.
The Company has applied the amendments retrospectively. However, their application did not affect the financial position and performance of the Company since the Company does not have any temporary deductible differences.

- Amendments to IFRS 12 Disclosure of Interests in Other Organizations: Clarification of the scope of application of disclosure requirements in IFRS 12

Amendments clarify that the disclosure requirements in IFRS 12, except those described in paragraphs B10-B16, apply to the Company's participation in subsidiary, joint venture or associate (or part of share in joint venture or associate), which is classified (or is included in classifiable leaving group) as intended for sale.
As of December 31, 2017, the Company did not have subsidiaries, associates or joint ventures, therefore these amendments did not affect the Company's financial statements.

The adoption of new or revised standards did not have any effect on the financial position or performance of the Company and any disclosures in the Company's financial statements.

For the year ended 31 December 2017
(in UAH thousand, unless otherwise stated)

6. IFRSs and IFRIC Interpretations not yet effective

Standards that were published but not yet effective at the date of issue of the Company's financial statements in accordance with IFRS are described below. This is the list of published standards and interpretations that the Company intends to apply in the future. The Company plans to adopt these standards upon entry into force

New or amended standards	Summary of the requirements	Possible impact on financial statements
IFRS 9 Financial Instruments	IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9.
IFRS 15 Revenue from Contracts with Customers	IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 15.
IFRS 16 Leases	IFRS 16 was issued in January 2016 and replaces IAS 17 Lease, Clarification of IFRIC 4 Determination of the existence of lease characteristics in the agreement, Clarification of the SIC 15 Operating leases - incentives and Clarification of the SIC 27 Determining the nature of transactions that have a legal form of lease. IFRS 16 establishes principles for the recognition, valuation, presentation and disclosure of lease information and requires that tenants will reflect all leases, using a single accounting model in the balance sheet, similar to the accounting treatment provided for in IAS 17 for financial leases. Lessor will continue to classify the lease using the same classification principles as in IAS 17, while allocating two types of leases: operating and financial. IFRS 16 comes in use for annual periods beginning on or after 1 January 2019. Earlier application is permitted, but not earlier than the date of application of IFRS 15.	The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16.
Clarification of IFRIC 22 Foreign Currency Transactions and Prepayment	The clarification includes determination of exchange rate to be used at different kinds of foreign currency transactions.	As the current activities of the Company comply with the clarification requirements, the Company does not expect that it will have an impact on its financial statements.

(in UAH thousand, unless otherwise stated)

New or amended standards	Summary of the requirements	Possible impact on financial statements
Clarification of IFRIC 23 "Uncertainty over the rules for calculating income tax"	The clarification deals with the accounting for income tax when there is uncertainty in tax interpretations, which affects the application of IAS 12. In particular, the clarification addresses the following issues: • whether the Company considers undefined tax interpretations separately; • assumptions that the Company makes with regard to the verification of tax interpretations by tax authorities; • how the Company determines the taxable profit (tax loss), the tax base, unused tax losses, unused tax benefits and tax rates; • how the Company considers changes in facts and circumstances. Amendment becomes effective for annual periods beginning on or after 1 January 2019.	The Company will apply the clarification from the date of its entry in use.

The following new or amended standards are not expected to have a significant impact on the Company's financial statements.

- Amendments to IFRS 10 and IAS 28 Investments in Associates and Joint Ventures
- Amendments to IFRS 2 Classification and evaluation of share-based payment transactions
- IFRS 17 Insurance Contracts
- Amendments to IAS 40 Investment property
- IFRS 1 First-time Adoption of International Financial Reporting Standards - removal of short-term exemptions for first-time adopters of IFRSs
- IAS 28 Investments in Associates and Joint Ventures - clarification that a decision to evaluate investment items at fair value through profit or loss should be made separately for each investment
- Amendments to IFRS 4 Application of IFRS 9 Financial Instruments in conjunction with IFRS 4 Insurance Contracts
- Amendments to IFRS 10 and IAS 28 Sale or contribution of assets in transactions between an investor and its associate or joint venture
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

7. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Operating lease commitments

The Company has entered into leases over properties and motor vehicles. As management has determined that the Company has not obtained substantially all the risks and rewards of ownership of the properties and motor vehicles, the leases have been classified as operating leases and accounted for accordingly.

The Useful lives of fixed assets and intangible assets

Depreciation or amortization on fixed and intangible assets, accrued over the term of their useful lives. The useful life of an asset is an estimate of how long the asset will be used.

Useful lives of depreciation of property and equipment are reviewed at end of each financial year and adjusted prospectively, if appropriate. As for durable assets, changes in estimates could lead to significant changes in book value.

Impairment of trade and other receivables

The provision policy for impairment of trade and other receivables of the Company is based on the ongoing evaluation of the collectability, aged analysis of the outstanding receivables and management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Deferred tax assets and liabilities

The factors used to assess the likelihood of realization deferred tax assets (liabilities) in the future include operating results of previous years, the operational plan, expiration of tax loss compensation and tax planning strategies. If actual results differ from estimated results or if the Company adjusts these assumptions, it may have a negative impact on the financial position, results of operations and cash flows. If the value of the recognition of deferred tax assets in the future should be reduced, this reduction will be recognized in the statement of comprehensive income.

The Company recognised deferred tax assets in as at 31 December 2017 for Provision for VAT tax credit loss in amount UAH 1 380 thousands and for other provisions in amount of UAH 505 thousands that it is expected to be used to reduce the taxable profit (as at 31 December 2016: UAH 1 380 thousands and UAH 544 thousands accordingly).

(in UAH thousand, unless otherwise stated)

8. Property and equipment

	Office equipment, furniture and fixtures	Vehicles	Other	Total
Historical cost				
As at 31 December 2015	**1 550**	**52**	**25**	**1 627**
Additions	289	118	29	436
Disposals	(33)	-	-	(33)
As at 31 December 2016	**1 806**	**170**	**54**	**2 030**
Additions	125	-	3	128
Disposals	(34)	(52)	-	(86)
As at 31 December 2017	**1 897**	**118**	**57**	**2 072**
Depreciation				
As at 31 December 2015	**(534)**	**(10)**	**(25)**	**(569)**
Depreciation charge for the year	(345)	(22)	(29)	(396)
Disposals	15	-	-	15
As at 31 December 2016	**(864)**	**(32)**	**(54)**	**(950)**
Depreciation charge for the year	(367)	(29)	(3)	(399)
Disposals	19	27	-	46
As at 31 December 2017	**(1 212)**	**(34)**	**(57)**	**(1 303)**
Net book value				
As at 31 December 2017	**685**	**84**	**-**	**769**
As at 31 December 2016	**942**	**138**	**-**	**1 080**
As at 31 December 2015	**1 016**	**42**	**-**	**1 058**

9. Intangible assets

	Patent and trademark	Computer software	Total
Cost			
As at 31 December 2015	**342**	**262**	**604**
Additions	45	144	189
As at 31 December 2016	**387**	**406**	**793**
Additions	72	15	87
As at 31 December 2017	**459**	**421**	**880**
Amortisation			
As at 31 December 2015	**(29)**	**(89)**	**(118)**
Amortisation charge for the year	(54)	(74)	(128)
As at 31 December 2016	**(84)**	**(162)**	**(246)**
Amortisation charge for the year	(52)	(94)	(146)
As at 31 December 2017	**(136)**	**(256)**	**(392)**
Net book value			
As at 31 December 2017	**323**	**165**	**488**
As at 31 December 2016	**303**	**244**	**547**
As at 31 December 2015	**313**	**173**	**486**

All of the Company's intangible assets are with definite useful lives.

(in UAH thousand, unless otherwise stated)

10. Income tax

Income tax expense consist from the following:

	2017	2016
Current income tax:		
Current income tax charge	(2 761)	(2 371)
Adjustments in respect of current income tax of previous year	-	(24)
Deferred tax:		
Relating to origination and reversal of temporary differences	(39)	1591
Total	**(2 800)**	**(804)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2017	2016
Accounting profit/(loss) before income tax	15 515	3 751
Tax at the Ukrainian tax rate of 18%	(2 793)	(675)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Not deductible expenses due to purchases from non-profit organizations	(7)	(105)
Adjustments in respect of current income tax of previous year	-	(24)
Other expenses not deducted in calculating taxable income	-	-
Tax charge	**(2 800)**	**(804)**

Movement in deferred tax balances

	31 December 2017	Recognised in profit or loss	31 December 2016	Recognised in profit or loss	01 January 2016
Inventories	7	(59)	66	(94)	160
Provision for uninvoiced expenditures	498	20	478	305	173
Provision for VAT tax credit loss	1 380	-	1 380	1 380	-
Net deferred tax asset/(liability)	**1 885**	**(39)**	**1 924**	**1 591**	**333**

11. Inventories

	2017	2016
Goods in stock	41 490	75 770
Fuel	54	46
Total	**41 544**	**75 816**

12. Trade and other receivables

	2017	2016 Revised*
Trade receivables	18 749	481
Accounts receivable with budget (VAT)	7 431	6 727*
Accounts receivable with budget (other taxes)	175	30
Income tax receivable	-	46
Deferred expenses	237	975
Receivables for advances paid	3 081	4 963
Total	**29 673**	**13 222***

(in UAH thousand, unless otherwise stated)

12. Accounts receivable (continued)

* The Company has changed the disclosure in financial statements for the year ended 31 December 2017 of the provision created to the amount of VAT tax credit loss in the amount of UAH 7 667 thousand, which was reflected in financial statements for the year ended 31 December 2016 as reduction of advance payment to budget in balance sheet assets. Accordingly, the balances on the balance sheet item "Trade and other receivables" were revised.

The ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			< 30 days	31-90 days	> 90 days
As at 31 December 2017	18 749	18 749	-	-	-
As at 31 December 2016	481	481	-	-	-

13. Cash and short-term deposits

As at December 31, cash and equivalents were presented as follows:

	2017	2016
Cash at bank	6 122	4 329
Short-term deposits	4 500	8 000
Total	**10 622**	**12 329**

Short-term deposits in “Credit Agricole Bank” are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earned interest in amount UAH 414 thousand for 2017 at the respective short-term deposits rates 7.5 – 9 % (2016: UAH 50 thousand; rates are concurrent).

Information on available cash of currencies is provided in Note 24.

14. Authorized capital

Registered share capital of the Company as of 31 December 2016 and 31 December 2017 year totalled UAH 39 950 thousand. Participants of the Company in the reporting and the previous period were:

Shareholder	The size of the share, In UAH	The size of the share,%
Sun Pharma (Netherlands) BV	39 550 500	99%
Ranbaxy Holdings (UK) Limited	399 500	1%
Total authorized capital	**39 950 000**	**100%**

At the end of the reporting period, capital was paid in full.

15. Trade and other payables

	2017	2016 Revised*
Trade payables	12 309	46 629*
Other current liabilities	8	7
Total	**12 317**	**46 636**

(in UAH thousand, unless otherwise stated)

15. Trade and other payables (continued)

* The Company has changed the disclosure in financial statements for the year ended 31 December 2017 of the provision created to the amount of VAT tax credit loss in the amount of UAH 7 667 thousand, which was reflected in financial statements for the year ended 31 December 2016 as reduction of advance payment to budget in balance sheet assets. Accordingly, the balances on the balance sheet item "Trade and other payables" were revised.

16. Provision of current costs

	2017	2016 *Revised
Maintenance personnel expenses	5 583	5 337
Provision for uninvoiced expenditures	2 705	2 650
Ensuring when returning goods to the buyer	61	8
Provision for VAT tax credit loss	7 667	7 667*
Total	**16 016**	**15 662***

* The Company has changed the disclosure in financial statements for the year ended 31 December 2017 of the provision created to the amount of VAT tax credit loss in the amount of UAH 7 667 thousand, which was reflected in financial statements for the year ended 31 December 2016 as reduction of advance payment to budget in balance sheet assets. Accordingly, the balances on the balance sheet item "Provision of current costs" were revised.

Changes of current provisions for the year ended are presented in table below:

	31 December 2017	Increase for the year	Used/Reversed during reporting period	31 December 2016 Revised*	Increase for the year	Used/Reversed during reporting period	1 January 2016
Maintenance personnel expenses	5 583	9 431	(9 185)	5 337	7 346	(6 258)	4 249
Provision for uninvoiced expenditures	2 705	22 866	(22 811)	2 650	7 311	(5 386)	725
Ensuring when returning goods to the buyer	61	590	(537)	8	1 082	(1 310)	236
Provision for VAT tax credit loss	7 667	-	-	7 667*	-	-	-
Provision of current costs	**16 016**	**32 887**	**(32 533)**	**15 662***	**15 739**	**(12 954)**	**5 210**

* In financial statements for the year ended 31 December 2017 reclassification of the provision created to the amount of VAT tax credit loss in the amount of UAH 7 667 thousand was made. Provision for VAT tax credit loss was reflected in financial statements for the year ended 31 December 2016 as reduction of advance payment to budget in balance sheet assets. In financial statements for the year ended 31 December 2017 reclassification of the full amount of provision to item "Provision of current costs" in liabilities was made.

(in UAH thousand, unless otherwise stated)

17. Revenue from sales

	2017	2016
Proceeds from sales of medicines in Ukraine	298 479	266 640
Total	**298 479**	**266 640**

18. Administrative expenses

	2017	2016
Costs of administrative staff	(14 156)	(11 729)
Charges for salaries	(1 237)	(1 162)
Operating lease and car maintenance	(2 015)	(1 897)
Banking services	(438)	(413)
Rent and service office	(4 856)	(4 401)
Information and consulting services, including audit services	(1 082)	(789)
Provision for legal services (Note 23)	(817)	-
The costs of servicing computer systems	(615)	(932)
Other administrative expenses	(1 152)	(1 084)
Total	**(26 368)**	**(22 407)**

19. Distribution costs

	2017	2016
Rental of warehouse and storage services	(6 190)	(6 378)
Personnel expenses marketing and sales	(37 666)	(34 873)
Charges for salaries	(7 116)	(6 528)
Expenditure on advertising and promotion of medicines	(35 429)	(19 951)
Operating lease and car maintenance	(15 827)	(14 911)
Quality control	(961)	(470)
Other distribution expenses	(3 004)	(2 934)
Total	**(106 193)**	**(86 046)**

20. Other operative income

	2017	2016
Write-off payables	19 714	55 771
The amount of insurance compensation	48	43
Other income	86	-
Total	**19 848**	**55 814**

Write-off payables was made in amount UAH 19 714 thousand with related party to cover losses from exchange rate differences in the period of fluctuations of foreign currencies to hryvna and to maintain the profitability of the Company (2016: UAH 55 771 thousand).

21. Other operative expenses

	2017	2016
The financial result from purchase and sale of foreign currency	(159)	(255)
The financial result in the exchange rate differences	(2 973)	(5 858)
Loss on provision for VAT tax credit loss	-	(7 667)
Taxes	(1 611)	(1 402)
Other expenses	(297)	(288)
Total	**(5 040)**	**(15 470)**

(in UAH thousand, unless otherwise stated)

22. Related party transactions

In these financial statements are considered to parties, one of which controls the company or controlled by it, or together with the organization are the subject of joint control.

Related parties may enter into transactions that were not carried out would be between unrelated parties, the prices and terms of such transactions may differ from the agreements and conditions between unrelated parties.

Related parties include:

- Shareholders;
- Key management personnel and close members of their families;
- Companies that are controlled or are experiencing significant influence of shareholders.

Transactions with related parties for the year ended December 31, balance and corresponding calculations are as follows:

Purchases from related parties were as follows:

	2017	2016
Purchases from related parties		
Companies that are controlled or are experiencing significant influence of shareholders	(129 810)	(184 950)
Total	**(129 810)**	**(184 950)**

Write-off payables from related parties were as follows:

	2017	2016
Write-off payables from related parties		
Companies that are controlled or are experiencing significant influence of shareholders	19 714	55 771
Total	**19 714**	**55 771**

Amounts owed to related parties were as follows:

	2017	2016
Trade payables		
Companies that are controlled or are experiencing significant influence of shareholders	10 660	45 706
Total	**10 660**	**45 706**

Compensation of key management personnel:

	2017	2016
Wages and salaries	7 787	5 890
Social security contributions	219	194
Total	**8 006**	**6 084**

23. Contractual and contingent liabilities

The Ukrainian legislation related to taxation and regulation of the other aspects of the operating activity, including currency and customs control, continues to develop. A number of the adopted legal and normative acts is not always worded distinctly, and their interpretation depends on the position of the local, regional and central bodies of state power, and other state authorities. Frequently positions of different authorities on certain issues differ. The Company may conduct transactions on the terms that may be assessed as non-market by the tax bodies of Ukraine. Management believes that the Company adhered to all statutory regulations, and all taxes stipulated by legislation have been paid or accrued in full in the financial statements.

Capital commitments

As at 31 December 2017 and 31 December 2016 the Company did not have commitments on acquisition of property, plant and equipment and intangible assets.

Operating leases

The Company has entered into commercial property leases and vehicles leases. These leases have an average life of between three and five years with renewal option included in the contracts.

(in UAH thousand, unless otherwise stated)

23. Contractual and contingent liabilities (continued)

As of the date of the financial statements the Company had contractual obligations on operating leases, which were as follows:

	Rental property		Transports rentals	
	2017	2016	2017	2016
No later than 1 year	4 566	6 871	12 827	13 698
Later than 1 year and no later than 5 years	638	7 629	26 182	36 034
Later than 5 years	-	-	-	-
Total	**5 204**	**14 501**	**39 009**	**49 732**

Unresolved litigation

The Company has an unresolved case of illegal write-off of funds from the special account in the system of electronic reimbursement of VAT for the total amount of UAH 7 667 thousand. The status of the case - pre-court investigation. Taking into account expected changes in tax legislation the Company believes that a positive settlement of the claim to Tax Administration and reimbursement of funds are possible. In connection with this case Company has other contingent liabilities in the amount of UAH 817 thousand representing provision for legal services. In case of positive decision the Company will reverse the provision for the amount of VAT tax credit loss in the amount of UAH 7 667 thousand and will pay for legal services.

24. Financial risk management

Company may occur to the following risks associated with the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

In this note disclosed information about each of these risks, the Company's objectives, policies and methods of assessing and managing the risks. Additional information revealed through the financial statements.

Credit risk

Credit risk - the risk that counterparty will default its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments, which potentially can lead to concentrations of credit risk consist primarily of cash, the loans and receivables.

Credit risk arising from normal business activities of the Company, is controlled by each operating unit during the execution of the Company approved procedures for evaluating the reliability and solvency of each counterparty, including the collection. Monitoring of credit risk is done at the level of the Company in accordance with established guidelines and measurement methods in order to identify and monitor risks associated with contractors.

Some of the most of counterparties Company sells products in terms of delay. All customers to which Company sells its products in terms of delay, necessarily tested for their ability to pay.

The maximum exposure of credit risk is equal the carrying amounts of trade and other receivables (Note 12).

As at 31 December 2017 trade receivables from two buyers of the Company are considered: the debt of first buyer in the amount of UAH 12 613 thousand, which is 67.3% of the total trade receivables and the debt of the second buyer in the amount of UAH 6 136 thousand, which is 32.7% of the total trade receivables. As at 31 December 2016 receivables from the largest debtor of the Company amounted to UAH 481 thousand, which was 100% of the total trade receivables. Management determines the concentration as the ratio of receivables from certain counterparties to all trade receivables.

Liquidity risk

The following table details the Company's contractual maturity of its financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities including interest that will be accrued.

	Total	On demand	Less than 3 month	3-12 month	1-5 years
Trade payables:					
As at 31 December 2017	12 309	1 649	10 660	-	-
As at 31 December 2016	46 629	3 038	22 558	21 033	-
	58 938	**4 687**	**33 218**	**21 033**	-

(in UAH thousand, unless otherwise stated)

24. Financial risk management (continued)

Currency risk

The sensitivity to the change in USD of the profit before tax as at 31 December 2017:

	Amount of financial instrument	Increase (decrease) in exchange rate, %	Effect on profit before tax
Trade payables	(1 573)	+5	(79)
		-5	79
Cash and cash equivalents	156	+5	8
		-5	(8)
Total effect of change in exchange rate	**(1 417)**	**+5**	**(71)**
		-5	**71**

The sensitivity to the change in USD of the profit before tax as at 31 December 2016:

	Amount of financial instrument	Increase (decrease) in exchange rate, %	Effect on profit before tax
Trade payables	(2 592)	+20	(518)
		-20	518
Cash and cash equivalents	141	+20	28
		-20	(28)
Total effect of change in exchange rate	**(2 451)**	**+20**	**(490)**
		-20	**490**

The sensitivity to the change in EURO of the profit before tax as at 31 December 2017:

	Amount of financial instrument	Increase (decrease) in exchange rate, %	Effect on profit before tax
Trade payables	(9 087)	+15	(1 363)
		-5	454
Cash and cash equivalents	2	+15	-
		-5	-
Total effect of change in exchange rate	**(9 085)**	**+15**	**(1 363)**
		-5	**454**

The sensitivity to the change in EURO of the profit before tax as at 31 December 2016:

	Amount of financial instrument	Increase (decrease) in exchange rate, %	Effect on profit before tax
Trade payables	(43 114)	+10	(4 311)
		-10	4 311
Cash and cash equivalents	2	+10	-
		-10	-
Total effect of change in exchange rate	**(43 112)**	**+10**	**(4 311)**
		-10	**4 311**

25. Events after the date of the statement of financial position

There were no significant subsequent events which affect the financial statements.