

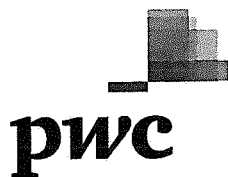
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# ***Campestres Holdings Limited***

Office Copy (signed)

*Report and  
financial  
statements*

*31 March 2017*



**CAMPESTRES HOLDINGS LIMITED**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

# **CAMPESTRES HOLDINGS LIMITED**

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## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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# CAMPESTRES HOLDINGS LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Arta Antoniou  
Augusta Christopoulou Mesariti (resigned on 31 December 2016)  
Lakshmanan Krishnakumar  
Nigel Holland  
Elizabeth Righas  
Daphne Kourtella (appointed on 31 December 2016)

**Company Secretary:**

A.T.S. Services Limited

**Registered office:**

Arch. Makariou III, 2-4  
Capital Centre, 9th Floor  
CY-1065 Nicosia  
Cyprus

**Registration number:**

237748



## **Independent auditor's report**

To the Members of Campestres Holdings Limited

### **Report on the Audit of the financial statements**

#### **Opinion**

We have audited the financial statements of parent company Campestres Holdings Limited (the "Company"), which are presented on pages 5 to 20 and comprise the statement of financial position as at 31 March 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### **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) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of the Board of Directors' for the financial statements**

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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### **Auditor's responsibility 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from 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 on 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, misrepresentations, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves true and fair view.

We communicate with the Board of Directors 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.



### **Report on other legal requirements**

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.

### **Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

A handwritten signature in blue ink, appearing to read 'Yiangos Kaponides'.

Yiangos Kaponides  
Certified Public Accountant and Registered Auditor  
for and on behalf of

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

Limassol, 23 May 2017

# CAMPESTRES HOLDINGS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 US\$	2016 US\$
Interest income	12	79,858	70,575
Administration expenses	4	(139,436)	(325,250)
Impairments of investments in subsidiary	7	-	(4,446,497)
<b>Operating loss</b>		<b>(59,578)</b>	<b>(4,701,172)</b>
Net finance costs	5	(489)	(9,905)
<b>Loss before tax</b>		<b>(60,067)</b>	<b>(4,711,077)</b>
Income tax expense	6	-	-
<b>Net loss for the year</b>		<b>(60,067)</b>	<b>(4,711,077)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(60,067)</b>	<b>(4,711,077)</b>


The notes on pages 9 to 20 form an integral part of these financial statements.

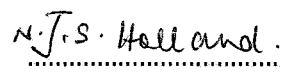
# CAMPESTRES HOLDINGS LIMITED

## STATEMENT OF FINANCIAL POSITION 31 MARCH 2017

	Note	2017 US\$	2016 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	7	-	-
<b>Current assets</b>			
Trade and other receivables	8	1,306,165	1,341,093
Cash and cash equivalents	9	-	267
<b>Total assets</b>		<b>1,306,165</b>	<b>1,341,360</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	3,002	3,002
Share premium		22,838,998	22,838,998
Accumulated losses		(21,635,251)	(21,575,184)
<b>Total equity</b>		<b>1,206,749</b>	<b>1,266,816</b>
<b>Current liabilities</b>			
Trade and other payables	11	99,416	74,544
<b>Total liabilities</b>		<b>99,416</b>	<b>74,544</b>
<b>Total equity and liabilities</b>		<b>1,306,165</b>	<b>1,341,360</b>

On 23 May 2017 the Board of Directors of Campestres Holdings Limited authorised these financial statements for issue.

  
Lakshmanan Krishnakumar  
Director

  
Nigel Holland  
Director

The notes on pages 9 to 20 form an integral part of these financial statements.

## CAMPESTRES HOLDINGS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital US\$	Share premium US\$	Accumula- ted losses US\$	Total US\$
<b>Balance at 1 April 2015</b>	<b>3,002</b>	<b>22,838,998</b>	<b>(16,864,107)</b>	<b>5,977,893</b>
<b>Comprehensive loss</b>				
Net loss for the year	-	-	(4,711,077)	(4,711,077)
Total comprehensive loss for the year	-	-	(4,711,077)	(4,711,077)
<b>Balance at 31 March 2016/ 1 April 2016</b>	<b>3,002</b>	<b>22,838,998</b>	<b>(21,575,184)</b>	<b>1,266,816</b>
<b>Comprehensive loss</b>				
Net loss for the year	-	-	(60,067)	(60,067)
Total comprehensive loss for the year	-	-	(60,067)	(60,067)
<b>Balance at 31 March 2017</b>	<b>3,002</b>	<b>22,838,998</b>	<b>(21,635,251)</b>	<b>1,206,749</b>

The notes on pages 9 to 20 form an integral part of these financial statements.

# CAMPESTRES HOLDINGS LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 US\$	2016 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(60,067)	(4,711,077)
Adjustments for:			
Impairment charge	7	-	4,446,497
Interest income	12	(79,858)	(70,575)
<b>Cash flows used in operations before working capital changes</b>		<b>(139,925)</b>	<b>(335,155)</b>
Decrease in trade and other receivables		114,786	25,743
Increase in trade and other payables		24,872	166,240
<b>Cash used in operations</b>		<b>(267)</b>	<b>(143,172)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted to related parties	12	-	(4,000)
Interest received		-	42
Proceeds from loans granted to related parties		-	94,147
<b>Net cash generated from investing activities</b>		<b>-</b>	<b>90,189</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loans receivable from related parties		-	50,000
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>50,000</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(267)</b>	<b>(2,983)</b>
At beginning of the year		267	3,250
<b>At end of the year</b>	9	<b>-</b>	<b>267</b>

The notes on pages 9 to 20 form an integral part of these financial statements.

# **CAMPESTRES HOLDINGS LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

### **1. Incorporation and principal activities**

#### **Country of incorporation**

Campestres Holdings Limited (the "Company") was incorporated in Cyprus on 9 September 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Arch. Makariou III, 2-4, Capital Centre, 9th Floor, CY-1065 Nicosia, Cyprus.

#### **Principal activities and nature of operations of the Company**

The principal activities of the Company, which are unchanged from the last period, are the holding of investments, including any interest earning activities.

### **2. Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### **Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 April 2016 and relevant to the Company have been adopted by the EU through the endorsement procedure established by the European Commission.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the indirect parent company, Tata Global Beverages Group Limited prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2017. A copy of the consolidated financial statements is available to the members, at 325 -327 Oldfield Lane North, Greenford, Middlesex, UB6 OA2, United Kingdom. The Company's ultimate controlling party is Tata Global Beverages Limited, a listed company incorporated in India. Its consolidated financial statements are available at 1 Bishop Lefroy Road, Kolkata, 700 020 India.

Since the 7th Directive of the European Union permits the preparation of consolidated financial statements in accordance with the Directive or in a manner equivalent to the Directive, and since the Cyprus Companies Law, Cap. 113, provides the aforementioned exemption, the provisions of International Financial Reporting Standard 10 'Consolidated Financial Statements' that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention..

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements except as disclosed in Note 15.

# **CAMPESTRES HOLDINGS LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

### **2. Significant accounting policies (continued)**

#### **Going concern basis**

In assessing the Company's status as a going concern the Directors considered the current intentions and financial position of the Company. Although the Company had a net loss for the year then ended, the Directors have considered a Letter of Support dated 9 May 2017 obtained from Tata Global Beverages Investments Limited, the Company's indirect parent company. Under this letter, the indirect parent company confirmed that it will continue to make available to the Company such funds and financial support as may be agreed from time to time to enable the Company to meet its obligations as they fall due (for a period not less than twelve months from the date of approval of the financial statements) and to enable the Company to carry on its business as going concern. The Directors, therefore, consider that the Company will continue as a going concern and the financial statements as appropriately prepared on a going concern basis and there is no material uncertainty over the basis of preparation in this respect.

#### **Adoption of new and revised IFRSs**

During the current year, the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016, and have not been applied in preparing these financial statements. None of these are expected to have significant effect on the financial statements of the Company.

#### **Subsidiary companies**

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

#### **Impairment of non-financial assets**

Intangible assets that have an indefinite life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

#### **Finance costs**

Interest expense and other borrowing costs are charged to profit or loss as incurred.

# CAMPESTRES HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 2. Significant accounting policies (continued)

#### Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in (US\$), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Tax

Current tax liabilities and assets for the current period are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been declared, or substantively enacted, by the date of the Statement of Financial Position in the country where the entity operates and generates taxable income.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss.

# **CAMPESTRES HOLDINGS LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

### **2. Significant accounting policies (continued)**

#### **Financial instruments (continued)**

##### Cash and cash equivalents

Cash and cash equivalents comprise demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade payables

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

#### **Share capital**

Ordinary shares are classified as equity.

Share Premium is the difference between the fair value of the consideration received for the issue of shares and the nominal value of the shares. Share Premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on the reduction of share capital.

#### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### **Offsetting financial investments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legal enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

# CAMPESTRES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to credit risk and liquidity risk. The Company's management does not have a formal policy to manage the risks at the entity level as they are managed centrally at the Group level. The risk management policies employed by the Company to manage these risks are discussed below:

#### 3.1 Credit risk

Credit risk arises mainly from outstanding trade receivables.

The amounts which correspond to the maximum credit risk as at the date of the Statement of Financial Position are US\$1,306,165 (2016: US\$1,341,360). These consist mainly from receivables due from related parties equal to US\$1,303,710 (2016: US\$1,223,852). The credit rating of the bank is disclosed in Note 9 of the financial statements and the receivable from subsidiary is considered recoverable taking into account a letter of financial support provided by Tata Global Beverages International Limited to the subsidiary. Hence, the Company does not face any significant risks in relation to the above. Management does not expect any losses from non-performance by these counterparties.

#### 3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

#### 31 March 2017

	Carrying amounts US\$	Contractual cash flows US\$	3 months or less US\$
Trade and other payables	99,416	99,416	99,416
	<b>99,416</b>	<b>99,416</b>	<b>99,416</b>

#### 31 March 2016

	Carrying amounts US\$	Contractual cash flows US\$	3 months or less US\$
Trade and other payables	74,544	74,544	74,544
	<b>74,544</b>	<b>74,544</b>	<b>74,544</b>

#### 3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of Financial Position) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

# CAMPESTRES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 3. Financial risk management (continued)

#### Fair value estimation

The carrying amounts and fair values of certain financial assets and liabilities are as follows

#### Offsetting financial assets and liabilities

The Company does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

### 4. Expenses by nature

	2017	2016
	US\$	US\$
Accounting fees	8,958	9,568
Auditors' remuneration	3,726	3,854
Professional fees	7,524	14,826
Insurance	114,686	268,336
Non-recoverable VAT	3,841	28,008
Other expenses	701	658
<b>Total administration expenses</b>	<b>139,436</b>	<b>325,250</b>

### 5. Finance income/(cost)

	2017	2016
	US\$	US\$
<b>Finance income</b>		
Unrealised foreign exchange profit	-	261
<b>Finance costs</b>		
<b>Interest expense</b>		
Interest on taxes	(132)	(8,525)
<b>Sundry finance expenses</b>		
Bank charges	(267)	(890)
<b>Net foreign exchange losses</b>		
Realised foreign exchange loss	(90)	(751)
	(489)	(10,166)
<b>Net finance cost</b>	<b>(489)</b>	<b>(9,905)</b>

## CAMPESTRES HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 6. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	<b>2017</b>	2016
	<b>US\$</b>	US\$
Loss before tax	<b>(60,067)</b>	(4,711,077)
Tax calculated at the applicable tax rates	<b>(7,508)</b>	(588,885)
Tax effect of expenses not deductible for tax purposes	<b>7,508</b>	588,885
<b>Tax charge</b>	<b>-</b>	-

The Company is subject to income tax on taxable profits at the rate of 12.5%.

Under certain conditions interest income may be exempt from income tax and be subject only to defence contribution at the rate of 30%.

In certain cases, dividends received from abroad may be subject to defence contribution at the rate 17% for 2014 thereafter. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc.) are exempt from Cyprus income tax.

Under current legislation, tax losses may be carried forward and be set off against taxable income of the succeeding years.

# CAMPESTRES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 7. Investments in subsidiaries

	2017 US\$	2016 US\$
Balance at 1 April	-	4,446,497
Impairment charge	-	(4,446,497)
<b>Balance at 31 March</b>	<b>-</b>	<b>-</b>

The details of the direct subsidiary, which is unlisted, is as follows:

<u>Name</u>	<u>Place of business and country of incorporation</u>	<u>Principal activities</u>	2017 Holding %	2016 Holding %
Kahutara Holdings Limited	Cyprus	Holding of investments	65	65

The method to account for investments in subsidiaries is the cost method.

As per a shareholders' agreement between the Company and European Bank for Reconstruction and Development (EBRD), EBRD has invested during 2009 in a 35% stake in the Company's existing subsidiary, Kahutara Holdings Limited.

Under the shareholders' agreement, the Company has the option, without the consent of EBRD, to purchase the remaining 35% shareholding as from August 2018 based on an agreed formula. Similarly, EBRD has the right, without the consent of the Company, to sell to the Company the remaining 35% stake in the particular subsidiary as from August 2016 based on an agreed formula. The agreed formula is estimated by the Management to approximate the fair value of the shares to be acquired through these options. As a result, the values of these derivatives are estimated by the Management not to be significant and are shown at nil carrying amounts as at 31 March 2017 (2016: US\$Nil).

During 2016 an impairment of US\$4,446,497 was recognised. The economic environment in Russia has significantly influenced the impairment of the investments carried in USD at historic cost. An improvement in the economic situation, foreign currency rates and interest rates would improve the cash-flows and the WACC and thus allow reversal of the impairment in the future. According to the accounting standards, for the purpose of impairment test the prevailing WACC and Rouble rates have been applied. The WACC used for the impairment test in 2016 was 13.2% and the exchange rate used to convert the expected cash flows from Russian Roubles were translated to US\$ using the rate RUB 67.6 to US\$1.

### 8. Trade and other receivables

	2017 US\$	2016 US\$
Deposits and prepayments	2,455	117,241
Loan receivable from subsidiary (Note 12.2)	<b>1,303,710</b>	<b>1,223,852</b>
	<b>1,306,165</b>	<b>1,341,093</b>

# CAMPESTRES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 8. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

As at 31 March 2017 and 31 March 2016, no trade and other receivables were past due, and none are considered to be impaired.

The maximum exposure to credit risk at the date of the Statement of Financial Position is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The carrying amount of trade and other receivables are denominated in US Dollars.

### 9. Cash and cash equivalents

For the statement of cash flows, the cash and cash equivalents include the following

	2017 US\$	2016 US\$
Cash at bank (credit rating Caa1 (2016: Caa2))	-	267
	<u>-</u>	<u>267</u>

The exposure of the Company in relation to cash and cash equivalents is reported in Note 3

Cash and cash equivalents were denominated in US Dollars.

### Principal non-cash transaction:

The principal non-cash transaction during the year were payments made by the Company's subsidiary on behalf of the Company for the settlement of various expenses.

### 10. Share capital

	2017 Number of shares	2017 US\$	2016 Number of shares	2016 US\$
<b>Authorised</b>				
Ordinary shares of US\$1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
<b>Issued and fully paid</b>				
Balance at 1 April	<u>3,002</u>	<u>3,002</u>	<u>3,002</u>	<u>3,002</u>
<b>Balance at 31 March</b>	<u>3,002</u>	<u>3,002</u>	<u>3,002</u>	<u>3,002</u>

Under its Memorandum the Company fixed its authorised share capital at 10,000 ordinary shares of nominal value US\$1 each.

### Issued capital and share premium

Upon incorporation on 9 September 2008 the Company issued to the subscribers of its Memorandum of Association 3,000 ordinary shares of US\$1 each.

On 24 August 2009, the Company made an issue of 1 additional share of US\$1 at a premium of US\$11,999,999.

On 30 July 2012, the Company made an issue of 1 additional share of US\$1 at a premium of US\$10,838,999

# CAMPESTRES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 11. Trade and other payables

	2017 US\$	2016 US\$
VAT provisional liability	-	31,365
Payables to parent (Note 12.3)	12,488	12,488
Payables to own subsidiaries (Note 12.3)	77,157	16,215
Payables to related companies (Note 12.3)	4,901	4,901
Accruals	4,870	5,133
Other creditors	-	4,442
	<b>99,416</b>	<b>74,544</b>

The fair values of trade and other payables due within one year approximate to their carrying amounts are presented above.

The Company trade and other payables are denominated in the following currencies:

	2017 US\$	2016 US\$
United States Dollars	94,546	33,604
Euro	4,870	40,940
	<b>99,416</b>	<b>74,544</b>

### 12. Related party transactions

The Company is controlled by Tata Global Beverages Investments Limited, incorporated in the UK, which owns 100% of the Company's shares. The Company's ultimate controlling party is Tata Global Beverages Limited, incorporated in India.

The following transactions were carried out with related parties:

#### 12.1 Interest income

	2017 US\$	2016 US\$
Tata Global Beverages Investments Limited	-	42
Kahutara Holdings Ltd	79,858	70,533
	<b>79,858</b>	<b>70,575</b>

#### 12.2 Receivables from related parties (Note 8)

Name	Nature of transactions	2017 US\$	2016 US\$
Kahutara Holdings Ltd	Finance	1,303,710	1,223,852
		<b>1,303,710</b>	<b>1,223,852</b>

On 27 January 2014, the Company, as Lender, entered into an inter-company loan agreement with its subsidiary, Kahutara Holdings Ltd, as Borrower, for a revolving credit facility of up to US\$1.2 million. This loan bears interest at LIBOR plus 5.5% margin and is repayable on demand. Interest accrued is capitalized on a quarterly basis. During the year no amount (2016: US\$4,000) was drawn down against this loan facility and interest accrued of US\$79,858 (2016: US\$70,533) and no repayment for the year (2016: US\$50,000) was made.

# CAMPESTRES HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 12. Related party transactions (continued)

#### 12.3 Payables to related parties (Note 11)

<u>Name</u>	<u>Nature of transactions</u>	2017 US\$	2016 US\$
Kahutara Holdings Ltd	Current account	77,157	16,215
Suntyno Holding Limited	Current account	4,901	4,901
		<u>82,058</u>	<u>21,116</u>

Payables to related parties bear no interest, are unsecured and are repayable on demand.

#### 12.4 Shareholders' current accounts - credit balances (Note 11)

	2017 US\$	2016 US\$
Shareholders' current accounts	12,488	12,488
	<u>12,488</u>	<u>12,488</u>

The shareholders' current accounts are interest free, and have no specified repayment date

### 13. Contingent liabilities

#### (i) Russian operating environment

The Company's investment is based in the Russian Federation.

The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. During 2016 the Russian economy continued to be negatively impacted by low oil prices, ongoing political tension in the region and international sanctions against certain Russian companies and individuals, all of which contributed to the country's economic recession characterised by a decline in gross domestic product. The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. Russia's credit rating was downgraded to below investment grade. The operating environment has a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

### 14. Commitments

The Company had no capital or other commitments as at 31 March 2017.

### 15. Critical accounting estimates, judgements and assumptions

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

# CAMPESTRES HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 15. Critical accounting estimates, judgements and assumptions (continued)

- **Impairment of investments in subsidiaries/associates**

As from 31 March 2016, the Company follows the guidance of IAS 39 and IAS 36 to determine whether the investments are impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The Company has performed an impairment assessment of its investment in its subsidiary as at 31 March 2016 as described in Note 7. The recoverable amount of the investment was estimated based on fair value less cost to sell estimates. The fair value was estimated using cash flow projections of the underlying business discounted in present terms based on the business plan. The critical assumptions applied in the cash flow projections are the growth rate of 4% for the Russian region and discount rate of 13.2%. The cash flows in Russian Roubles were translated to US\$ using the rate RUB 97.6 to US\$1. If the discount rate was 14%, rather than 13.2% the impairment in the subsidiary would have been US\$1,298,653 higher. If the growth rate was 3.5%, rather than 4% and the discount rate was 14% rather than 13.2% the impairment change in subsidiary wouldn't be significant.

- **Income tax**

Significant judgement is required in determining whether any income taxes should have been recognised or whether any contingent liabilities should be disclosed. These are transactions and calculations for which the ultimate tax determination is uncertain.

### 16. Significant events after the end of the financial year

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent Auditor's report on pages 2 to 4**