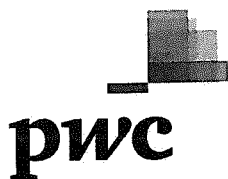

Onomento Co Ltd

Office Copy (signed)

*Report and
financial
statements*

31 March 2017



ONOMENTO CO LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

ONOMENTO CO LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS	PAGE
Board of Directors and other officers	1
Independent auditor's report	2 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 17

ONOMENTO CO LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Lakshmanan Krishnakumar Augusta Christopoulou-Mesariti (resigned 31 December 2016) Spyridon Hadjinicolaou Nigel Holland Arta Antoniou Daphne Kourtella (appointed 31 December 2016)
Company Secretary:	A.T.S. Services Limited
Registered office:	Arch. Makariou III, 2-4 CAPITAL CENTER, 9th Floor CY-1065 Nicosia Cyprus
Registration number:	244475



Independent auditor's report

To the Members of Onomento Co Ltd

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Onomento Co Ltd (the "Company"), which are presented on pages 5 to 17 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 'Yiingos Kaponides', is written over a light blue horizontal line.

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

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Limassol, 23 May 2017

ONOMENTO CO LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 US\$	2016 US\$
Revenue	4	416,265	395,080
Administration expenses	5	<u>(32,706)</u>	<u>(26,643)</u>
Operating profit		383,559	368,437
Net finance costs	6	(1,164)	(1,084)
Other gains/(losses)-net	7	(11,374)	10,097
Other income		<u>30</u>	<u>13</u>
Profit before tax		371,051	377,463
Income tax expense	8	<u>-</u>	<u>-</u>
Net profit for the year		<u>371,051</u>	<u>377,463</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation difference		<u>470,719</u>	<u>(300,287)</u>
Total comprehensive income for the year		<u>841,770</u>	<u>77,176</u>

There is no income tax relating to the components of other comprehensive income.

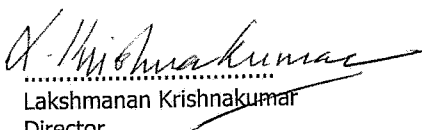
The notes on pages 9 to 17 form an integral part of these financial statements.

ONOMENTO CO LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 US\$	2016 US\$
ASSETS			
Non-current assets			
Intangible assets	9	<u>1,210,734</u>	1,009,629
		<u>1,210,734</u>	1,009,629
Current assets			
Trade and other receivables	10	1,745,930	1,091,471
Refundable taxes	14	48,314	50,890
Cash and cash equivalents	11	<u>4,820</u>	1,897
		<u>1,799,064</u>	1,144,258
Total assets		<u><u>3,009,798</u></u>	<u><u>2,153,887</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	7,049	7,049
Share premium		2,000,499	2,000,499
Translation Reserve		(1,380,950)	(1,851,669)
Retained earnings		<u>2,349,638</u>	1,978,587
Total equity		<u>2,976,236</u>	2,134,466
Current liabilities			
Trade and other payables	13	<u>33,562</u>	19,421
Total liabilities		<u>33,562</u>	19,421
Total equity and liabilities		<u><u>3,009,798</u></u>	<u><u>2,153,887</u></u>

On 23 May 2017 the Board of Directors of Onomento Co Ltd authorised these financial statements for issue.


.....
Lakshmanan Krishnakumar
Director


.....
Nigel Holland
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

ONOMENTO CO LTD

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

	Share capital US\$	Share premium US\$	Translation reserve US\$	Retained earnings US\$	Total US\$
Balance at 1 April 2016	7,049	2,000,499	(1,551,382)	1,601,124	2,057,290
Comprehensive income					
Net profit for the year	-	-	-	377,463	377,463
Other comprehensive loss					
Currency translation difference	-	-	(300,287)	-	(300,287)
Total comprehensive loss for the year	-	-	(300,287)	377,463	77,176
Balance at 31 March 2016/ 1 April 2016	7,049	2,000,499	(1,851,669)	1,978,587	2,134,466
Comprehensive income					
Net profit for the year	-	-	-	371,051	371,051
Other comprehensive income					
Currency translation difference	-	-	470,719	-	-
Total comprehensive income for the year	-	-	470,719	371,051	841,770
Balance at 31 March 2017	7,049	2,000,499	(1,380,950)	2,349,638	2,976,236

The notes on pages 9 to 17 form an integral part of these financial statements.

ONOMENTO CO LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 US\$	2016 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		371,051	377,463
Adjustments for:			
Effect of foreign exchange loss / (profit)		<u>13,275</u>	<u>(9,363)</u>
Cash flows from operationsa before working capital changes		384,326	368,100
Increase in trade and other receivables		(394,402)	(378,004)
Increase in trade and other payables		<u>14,141</u>	<u>11,268</u>
Net cash generated from operating activities		4,065	1,364
Net increase in cash and cash equivalents		4,065	1,364
Cash and cash equivalents at beginning of the year		1,897	5,202
Exchange losses/(gains) on cash and cash equivalents		<u>(1,142)</u>	<u>(4,669)</u>
Cash and cash equivalents at end of the year	11	4,820	<u>1,897</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

ONOMENTO CO LTD

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

1. Incorporation and principal activities

Country of incorporation

Onomento Co Ltd (the "Company") was incorporated in Cyprus on 31 December 2008 as a limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at Arch. Makariou III, 2-4, CAPITAL CENTER, 9th Floor, CY-1065 Nicosia, Cyprus.

Principal activity and nature of operations of the Company

The principal activities of the Company, which is unchanged from last year, is the holding and assignment of trademarks.

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.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) 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 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 judgement in the process of applying the Company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 17.

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 or after 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.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable in the ordinary course of business. Revenues earned by the Company are recognised on the following bases:

- **Royalty income**

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

ONOMENTO CO LTD

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

2. Significant accounting policies (continued)

Revenue recognition (continued)

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs

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

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 which is the Russian Rouble (RUB) ("the functional currency"). The financial statements are presented in United States Dollars (US\$), which is the Company's presentation currency. The reason the financial statements are presented in US\$ and not in RUB is due to group reporting requirements.

The results and financial position of the Company are translated into the presentation currency as follows:

- (a) Assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- (b) Income and expenses are translated at average exchange rates (prevailing on this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates; in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) All resulting exchange differences are recognised as a separate component of equity.

(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.

ONOMENTO CO LTD

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

2. Significant accounting policies (continued)

Tax (continued)

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.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost. These patents and trademarks are considered to have an indefinite useful life, and are tested annually for impairment.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, with original maturity of three months or less.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or 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 costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting.

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 reduction of share capital.

ONOMENTO CO LTD

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

2. Significant accounting policies (continued)

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 the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provision 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.

Trade and other payables

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

3. Financial risk management

Financial risk factors

The Company is exposed to a variety of financial risks: market risk (foreign exchange risk), credit risk, and liquidity risk. The Company's Management does not have a formal policy to manage these risks at the entity level.

3.1 Market risk

Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

Sensitivity

At 31 March 2017, if the RUB had weakened/strengthened by 20% (2016: 30%), against the US Dollar with all other variables held constant, post-tax profit / loss would have been US\$5,853 (2016: US\$3,752) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD denominated payables.

3.2 Credit risk

Credit risk arises mainly from outstanding trade and other receivables and from cash at bank.

The amounts which correspond to the maximum credit risk as at the date of the statement of financial position are US\$1,750,750 (2016: US\$1,093,368). Given that trade receivables of US\$1,733,905 (2016: US\$1,079,801) are due from a related party and given that the financial position of this related party is considered to be satisfactory as a letter of financial support by Tata Global Beverage Investments Limited, the Company does not face significant risks in relation to these receivables. For banks only credit worthy institutions are chosen. Management does not expect any losses from non-performance by these counterparties.

3.3 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. At the date of the statement of financial position the Company has trade and other payables, of US\$33,562 (2016: US\$19,421) payable within 3 months from the date of the statement of financial position. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

ONOMENTO CO LTD

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

3. Financial risk management (continued)

3.4 Capital risk management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders 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

Consistent with others in the industry, 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. As at 31 March 2017 and 2016 the Company had no borrowings.

Fair value estimation

The carrying value of trade receivables and payables are assumed to approximate their fair values.

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. Revenue

	2017	2016
	US\$	US\$
Royalty fee income (Note 15.1)	<u>416,265</u>	<u>395,080</u>
	<u>416,265</u>	<u>395,080</u>

5. Expenses by nature

	2017	2016
	US\$	US\$
Accounting fees	9,336	9,868
Audit fees	3,372	3,776
Legal fees	10,248	7,636
Professional fees	9,750	4,586
Non-recoverable VAT	-	777
Total expenses	<u>32,706</u>	<u>26,643</u>

6. Finance costs

	2017	2016
	US\$	US\$
Bank charges	<u>1,164</u>	<u>1,084</u>
	<u>1,164</u>	<u>1,084</u>

ONOMENTO CO LTD

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

7. Other gains/(losses)-net

	2017 US\$	2016 US\$
Realised exchange profit	1,901	734
Unrealised exchange (loss)/profit	<u>(13,275)</u>	9,363
	<u>(11,374)</u>	<u>10,097</u>

8. Tax

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

	2017 US\$	2016 US\$
Profit before tax	<u>371,051</u>	<u>377,463</u>
Tax calculated at the applicable tax rates	46,381	47,183
Tax effect of expenses not deductible for tax purposes	1,422	2,773
Tax effect of allowances and income not subject to tax	(45,935)	(50,125)
Tax effect of taxable losses for which no deferred tax asset was recognised	-	169
Tax effect of taxable losses utilised through group relief	<u>(1,868)</u>	-
Tax charge	<u>-</u>	<u>-</u>

The corporation tax rate is 12.5%.

Brought forward losses of only five years may be utilised.

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

9. Intangible assets

	Patents and trademarks US\$
Cost	
Balance at 1 April 2016	1,167,526
Currency translation difference for the year	<u>(157,897)</u>
Balance at 31 March 2016/ 1 April 2016	1,009,629
Currency translation difference for the year	<u>201,105</u>
Balance at 31 March 2017	<u>1,210,734</u>
Net book amount	
Balance at 31 March 2017	<u>1,210,734</u>
Balance at 31 March 2016	<u>1,009,629</u>

The recoverable amount was estimated based on value in use estimates. The management has based its cash flow projections on the expected royalty income to be generated. This was determined based on management's past experience. The cash flows are estimated for 5 years and after 5 years are discounted in perpetuity using a growth rate of 4%. The critical assumption included in cash flow projections in the five year horizon are the discount rate of 11.9% (2016: 13.2%) and the assumed sales price and volumes. Management estimates that any reasonably possible change in key assumptions would not cause the trademarks' carrying amount to exceed their recoverable amount.

ONOMENTO CO LTD

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

10. Trade and other receivables

	2017 US\$	2016 US\$
Trade receivables from related party (Note 15.2)	1,733,905	1,079,801
Deposits and prepayments	3,690	3,054
Refundable VAT	8,335	8,616
	<u>1,745,930</u>	<u>1,091,471</u>

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 balance sheet date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The Company's trade and other receivables are denominated in the following currencies:

	2017 US\$	2016 US\$
Russian Rouble	1,733,905	1,079,801
Euro	12,025	11,670
	<u>1,745,930</u>	<u>1,091,471</u>

11. Cash and cash equivalents

	2017 US\$	2016 US\$
Cash at bank (Credit rating Caa1 (2016: Caa2))	4,820	1,897
	<u>4,820</u>	<u>1,897</u>

Cash and cash equivalents are denominated in the following currencies:

	2017 US\$	2016 US\$
United States Dollars	-	840
Euro	4,820	1,057
	<u>4,820</u>	<u>1,897</u>

12. Share capital

	2017 Number of shares	2017 US\$	2016 Number of shares	2016 US\$
Authorised				
Ordinary shares of €1 each	<u>6,000</u>	-	<u>6,000</u>	-
Issued and fully paid				
Balance at 1 April	<u>5,001</u>	<u>7,049</u>	<u>5,001</u>	<u>7,049</u>
Balance at 31 March	<u>5,001</u>	<u>7,049</u>	<u>5,001</u>	<u>7,049</u>

ONOMENTO CO LTD

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

13. Trade and other payables

	2017	2016
	US\$	US\$
Accruals	4,297	4,526
Other creditors	-	1,819
Payables to related companies (Note 15.3)	29,265	13,076
	<u>33,562</u>	<u>19,421</u>

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

Trade and other payables are denominated in the following currencies:

	2017	2016
	US\$	US\$
United States Dollars	29,265	13,346
Euro	4,297	6,075
	<u>33,562</u>	<u>19,421</u>

14. Refundable taxes

	2017	2016
	US\$	US\$
Corporation tax	48,314	50,890
	<u>48,314</u>	<u>50,890</u>

15. Related party transactions

The Company is controlled by Suntyco Holding Ltd, incorporated in Cyprus, which owns 100% of the Company's shares. The ultimate controlling party of the Company is Tata Global Beverages Ltd, incorporated in India.

The following transactions were carried out with related parties:

15.1 Sales

	2017	2016
	US\$	US\$
Royalty fee income - Sunty LLC	416,265	395,080
	<u>416,265</u>	<u>395,080</u>

The Company earns royalty income by assigning its trademarks to a company under common control.

15.2 Receivables from related parties (Note 10)

	2017	2016
Name	US\$	US\$
Sunty LLC	1,733,905	1,079,801
	<u>1,733,905</u>	<u>1,079,801</u>

The above balance is of a trading nature, does not bear any interest, is unsecured and is repayable on demand. Sunty LLC and the Company are under common control.

ONOMENTO CO LTD

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

15. Related party transactions (continued)

15.3 Payables to related parties (Note 13)

Name	2017 US\$	2016 US\$
Kahutara Holdings Limited	23,265	13,076
Suntyco Holding Ltd	6,000	-
	<u>29,265</u>	<u>13,076</u>

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

16. Contingent liabilities

Russian operating environment

The Company's customer 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.

17. 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:

• Patents and trademarks - useful life

Despite the fact that the Company's patents and trademarks have various expiration dates, they have been considered by the management to have an indefinite useful life. This is based on the fact that the expiration dates can be extended / renewed by the Company and:

- based on management's experience and expectations, the registration of these trademarks will be renewed;
- there are no specific conditions necessary to obtain the renewal; and
- the cost to the Company for renewal is not significant when compared with the future economic benefits expected to flow to the Company from renewal.

18. Significant events after the end of the financial period

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 and 4