

**ONOMENTO CO LTD**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**



# ONOMENTO CO LTD

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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# ONOMENTO CO LTD

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Lakshmanan Krishnakumar  
Augusta Christopoulou-Mesariti  
Spyridon Hadjinicolaou  
Nigel Holland  
Arta Antoniou

**Company Secretary:**

A.T.S. Services Limited

**Independent Auditors:**

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors  
City House  
6 Karaiskakis Street  
CY-3032 Limassol  
Cyprus

**Registered office:**

Arch. Makariou III, 2-4  
CAPITAL CENTER, 9th Floor  
P.C. 1065, Nicosia  
Cyprus

**Banker:**

Hellenic Bank Public Company Ltd

**Registration number:**

244475



# ONOMENTO CO LTD

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of Onomento Co Ltd (the "Company") for the year ended 31 March 2015.

### **Principal activities**

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

### **Review of current position, future developments and significant risks**

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 and 16 of the financial statements.

### **Results**

The Company's results for the year are set out on page 5. The Board of Directors does not recommend the payment of a dividend and the profit for the year is retained.

### **Dividends**

During the year the Board of Directors did not declare a dividend (2014: US\$Nil).

### **Branches**

The Company did not operate through any branches during the year.

### **Share capital**

There were no changes in the share capital of the Company during the year.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 March 2015 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 March 2015.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Significant events after the end of the financial period**

Any significant events that occurred after the end of the reporting period are described in note 18 to the financial statements.

### **Independent Auditors**

The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Lakshmanan Krishnakumar  
Director

Nicosia, 22 May 2015







## **Independent auditor's report** **To the Members of Onomento Co Ltd**

### **Report on the financial statements**

We have audited the accompanying financial statements of Onomento Co Ltd (the "Company"), which comprise the balance sheet as at 31 March 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility 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.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Onomento Co Ltd as at 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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*PricewaterhouseCoopers Ltd, City House, 6 Karaiskakis Street, CY-3032 Limassol, Cyprus*  
*P O Box 53034, CY-3300 Limassol, Cyprus*  
*T: +357 25 - 555 000, F: +357 - 25 555 001, www.pwc.com.cy*

PricewaterhouseCoopers Ltd is a member firm of PricewaterhouseCoopers International Ltd, each member firm of which is a separate legal entity. PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No. 143594). A list of the company's directors including for individuals the present name and surname, as well as any previous names and for legal entities the corporate name, is kept by the Secretary of the company at its registered office at 3 Themitocles Dervis Street, 1066 Nicosia and appears on the company's web site. Offices in Nicosia, Limassol and Paphos.





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

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, 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.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

### **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 and 2013 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'.

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

**PricewaterhouseCoopers Limited**  
Certified Public Accountants and Registered Auditors

Limassol, 22 May 2015



## ONOMENTO CO LTD

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 US\$	2014 US\$
Revenue	4	521,285	616,472
Administration expenses		<u>(35,360)</u>	<u>(34,394)</u>
<b>Operating profit</b>		<b>485,925</b>	582,078
Net finance costs	6	(1,790)	(1,491)
Net profit / (loss) from foreign exchange transaction	7	<u>2,435</u>	<u>(13,911)</u>
<b>Profit before tax</b>		<b>486,570</b>	566,676
Income tax credit	8	<u>77,325</u>	-
<b>Net profit for the year</b>		<b><u>563,895</u></b>	<u>566,676</u>
<b>Other comprehensive income</b>			
<i>Items that may be classified subsequently to profit or loss:</i>			
Currency translation difference		<u>(1,160,561)</u>	<u>(360,245)</u>
<b>Total comprehensive (loss) / income for the year</b>		<b><u>(596,666)</u></b>	<u>206,431</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

# ONOMENTO CO LTD

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	2015 US\$	2014 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	9	<u>1,167,526</u>	1,912,697
		<u>1,167,526</u>	1,912,697
<b>Current assets</b>			
Trade and other receivables	10	846,621	776,091
Refundable taxes	14	48,723	-
Cash and cash equivalents	11	<u>5,202</u>	2,184
		<u>900,546</u>	778,275
<b>Total assets</b>		<u>2,068,072</u>	2,690,972
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Share capital	12	7,049	7,049
Share premium		2,000,499	2,000,499
Translation reserve		(1,551,382)	(390,821)
Retained earnings		<u>1,601,124</u>	1,037,229
<b>Total equity</b>		<u>2,057,290</u>	2,653,956
<b>Current liabilities</b>			
Trade and other payables	13	10,782	7,035
Current tax liabilities	14	-	29,981
<b>Total liabilities</b>		<u>10,782</u>	37,016
<b>Total equity and liabilities</b>		<u>2,068,072</u>	2,690,972

On 22 May 2015 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 18 form an integral part of these financial statements.

## ONOMENTO CO LTD

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share capital US\$	Share premium US\$	Translation reserve US\$	Retained earnings US\$	Total US\$
<b>Balance at 1 April 2013</b>	<b>7,049</b>	<b>2,000,499</b>	<b>(30,576)</b>	<b>470,553</b>	<b>2,447,525</b>
<b>Comprehensive income</b>					
Net profit for the year	-	-	-	566,676	566,676
<b>Other comprehensive income</b>					
Currency translation difference	-	-	(360,245)	-	(360,245)
Total comprehensive income for the year	-	-	(360,245)	566,676	206,431
<b>Balance at 31 March 2014/ 1 April 2014</b>	<b>7,049</b>	<b>2,000,499</b>	<b>(390,821)</b>	<b>1,037,229</b>	<b>2,653,956</b>
<b>Comprehensive income</b>					
Net profit for the year	-	-	-	563,895	563,895
<b>Other comprehensive income</b>					
Currency translation difference	-	-	(1,160,561)	-	(1,160,561)
Total comprehensive income for the year	-	-	(1,160,561)	563,895	(596,666)
<b>Balance at 31 March 2015</b>	<b>7,049</b>	<b>2,000,499</b>	<b>(1,551,382)</b>	<b>1,601,124</b>	<b>2,057,290</b>

Share premium is not available for distribution

The notes on pages 9 to 18 form an integral part of these financial statements.

# ONOMENTO CO LTD

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 US\$	2014 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		486,570	566,676
Adjustments for:			
Effect of foreign exchange (profit)		<u>(2,866)</u>	<u>(31,375)</u>
<b>Cash flows from operations before working capital changes</b>		<b>483,704</b>	535,301
Increase in trade and other receivables		<b>(488,021)</b>	(560,389)
Increase/(Decrease) in trade and other payables		<b>7,335</b>	(3,436)
<b>Cash flows from/(used in) operations</b>		<b>3,018</b>	(28,524)
Tax paid		<u>-</u>	<u>(4,354)</u>
<b>Net cash flows from/(used in) operating activities</b>		<b>3,018</b>	<b>(32,878)</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>		<b>3,018</b>	(32,878)
Cash and cash equivalents:			
At beginning of the year		<u>2,184</u>	<u>35,062</u>
<b>At end of the year</b>	11	<b>5,202</b>	2,184

The notes on pages 9 to 18 form an integral part of these financial statements.



# ONOMENTO CO LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### **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, P.C. 1065, Nicosia, Cyprus.

#### **Principal activities**

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 unless otherwise stated.

#### **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 2014 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 below:

# ONOMENTO CO LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 2. Significant accounting policies (continued)

#### 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:

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

#### Adoption of new and revised IFRSs

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 2014. 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 2014, 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

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.

- **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 the statement of comprehensive income as incurred.

# ONOMENTO CO LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 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 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.

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.

#### Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

# ONOMENTO CO LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 2. Significant accounting policies (continued)

#### 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 date.

#### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

#### 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.

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.

#### 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.

# ONOMENTO CO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to a variety of financial risks: credit risk, capital risk management and liquidity risk. The Company's Management does not have a formal policy to manage these risks at the entity level, as they are managed centrally at the Group level.

#### 3.1 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\$851,823 (2014 US\$778,275). Given that trade receivables of US\$835,615 (2014: US\$762,973) are due from a related party and given that the financial position of this related party is considered to be satisfactory, the Company does not face any 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.

#### 3.2 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. At the date of the statement of financial position the Company has trade and other payables, of US\$10,782 (2014: US\$7,035) 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.

#### 3.3 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, issue new shares or sell assets to reduce debt.

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 2015 and 2014 the Company had no borrowings.

#### Fair value estimation

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

### 4. Revenue

	2015	2014
	US\$	US\$
Royalty income (Note 15.1)	<u>521,285</u>	<u>616,472</u>
	<u>521,285</u>	<u>616,472</u>

# ONOMENTO CO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 5. Expenses by nature

	2015 US\$	2014 US\$
Audit fees	4,872	5,959
Legal fees	7,520	7,652
Professional fees	<u>22,968</u>	<u>20,783</u>
	<u>35,360</u>	<u>34,394</u>

The professional fees stated above include fees of US\$11,779 (2014: US\$4,349) for tax consultancy services charged by the Company's statutory audit firm.

### 6. Finance costs

	2015 US\$	2014 US\$
Bank charges	<u>1,790</u>	<u>1,491</u>
	<u>1,790</u>	<u>1,491</u>

### 7. Net profit/(loss) from foreign exchange transactions

	2015 US\$	2014 US\$
Realised exchange loss	(431)	(846)
Unrealised exchange profit/(loss)	<u>2,866</u>	<u>(13,065)</u>
	<u>2,435</u>	<u>(13,911)</u>

Realised exchange loss arises from transactions in foreign currencies, translated to Russian Rouble using the rate of exchange ruling at the date of the transaction.

The unrealised exchange profit/(loss) arises from monetary assets and liabilities denominated in foreign currencies, translated to Russian Rouble using the rate of exchange ruling at the reporting date.

### 8. Tax

	2015 US\$	2014 US\$
Corporation tax - overprovision from prior years	<u>(77,325)</u>	-
<b>Credit for the year</b>	<u>(77,325)</u>	-

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

	2015 US\$	2014 US\$
Profit before tax	<u>486,570</u>	<u>566,676</u>
Tax calculated at the applicable tax rates	60,821	70,835
Tax effect of allowances and income not subject to tax	(57,769)	(70,835)
Tax effect of group relief	(3,052)	-
Overprovision from prior years	<u>(77,325)</u>	-
<b>Tax credit</b>	<u>(77,325)</u>	-

# ONOMENTO CO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 8. Tax (continued)

The corporation tax rate is 12.5%.

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%.

In certain cases, dividends received from abroad may be subject to special contribution for defence at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and 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.

### 9. Intangible assets

	Patents and trademarks US\$
<b>Cost</b>	
Balance at 1 April 2013	2,195,983
Currency translation difference for the year	<u>(283,286)</u>
<b>Balance at 31 March 2014/ 1 April 2014</b>	<b>1,912,697</b>
Currency translation difference for the year	<u>(745,171)</u>
<b>At 31 March 2015</b>	<b><u>1,167,526</u></b>

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 16.6% and the assumed sales price and volumes. The management estimates that any reasonably possible change in key assumptions would not cause the trademarks' carrying amount to exceed their recoverable amount.

### 10. Trade and other receivables

	2015 US\$	2014 US\$
Trade receivables from related party (Note 15)	835,615	762,973
Deposits and prepayments	2,902	3,670
Refundable VAT	<u>8,104</u>	<u>9,448</u>
	<b><u>846,621</u></b>	<b><u>776,091</u></b>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above. The carrying amount of trade receivables is mainly denominated in Russian Roubles.

As at 31 March 2015, no trade and other receivables were past due, and none are considered to be impaired.

The exposure of the Company to credit risk in relation to trade and other receivables is reported in note 3 and 16 of the financial statements.

Trade and other receivables are denominated in the following currencies:

	2015 US\$	2014 US\$
Russian Rouble	835,615	762,973
Euro	<u>11,006</u>	<u>13,118</u>
	<b><u>846,621</u></b>	<b><u>776,091</u></b>

# ONOMENTO CO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 11. Cash and cash equivalents

	2015 US\$	2014 US\$
Cash at bank (Credit rating Caa3 (2014: Caa3))	<u>5,202</u>	<u>2,184</u>
	<b>5,202</b>	<b>2,184</b>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2015 US\$	2014 US\$
Cash and cash equivalents	<u>5,202</u>	<u>2,184</u>
	<b>5,202</b>	<b>2,184</b>

### Cash and cash equivalents are denominated in the following currencies:

	2015 US\$	2014 US\$
United States Dollars	800	908
Euro	<u>4,402</u>	<u>1,276</u>
	<b>5,202</b>	<b>2,184</b>

### 12. Share capital

	2015 Number of shares	2015 US\$	2014 Number of shares	2014 US\$
<b>Authorised</b>				
Ordinary shares of €1,71 each	<u>6,000</u>	<u>6,000</u>	6,000	6,000
<b>Issued and fully paid</b>				
Balance at 1 April	<u>5,001</u>	<u>7,049</u>	5,001	7,049
<b>Balance at 31 March</b>	<u>5,001</u>	<u>7,049</u>	5,001	7,049

Share premium account can only be utilised for limited purpose, which does not include the distribution of dividends, and is otherwise subject to the provision of the Cyprus Companies Law on reduction of share capital.

### 13. Trade and other payables

	2015 US\$	2014 US\$
Accruals	4,333	5,840
Other creditors	<u>6,449</u>	<u>1,195</u>
	<b>10,782</b>	<b>7,035</b>

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

The carrying amounts of the Company's trade and other payables are denominated in Euro.

### 14. (Refundable) taxes/current tax liabilities

	2015 US\$	2014 US\$
Corporation tax	<u>(48,723)</u>	29,981
	<b>(48,723)</b>	<b>29,981</b>



# ONOMENTO CO LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 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

	2015	2014
	US\$	US\$
Royalty fee income - Sunty LLC	<u>521,285</u>	<u>616,472</u>
	<u>521,285</u>	<u>616,472</u>

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

#### 15.2 Receivables from related parties (Note 10)

<u>Name</u>	2015	2014
	US\$	US\$
Suntly LLC	<u>835,615</u>	<u>762,973</u>
	<u>835,615</u>	<u>762,973</u>

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

# ONOMENTO CO LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 16. Contingencies

#### Russian operating environment

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 2014 the Russian economy was negatively impacted by a decline in oil prices and ongoing political tension in the region and international sanctions against certain Russian companies and individuals. As a result during 2014:

- the CBRF exchange rate fluctuated between RUB 35.6053 and RUB 58.4643 per USD;
- the CBRF key refinancing interest rate increased from 5.5% p.a. to 17.0% p.a. including an increase from 12.0% p.a. to 17.0% p.a. on 16 December 2014;
- the RTS stock exchange index ranged between 1,256 and 880;
- access to international financial markets to raise funding was limited for certain entities; and
- capital outflows increased compared to prior years.

The financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads. Subsequent to 31 March 2015:

- the CBRF exchange rate fluctuated between RUB 57.65 per USD and RUB 50.7511 per USD;
- Russia's credit rating was downgraded by Fitch Ratings in January 2015 to BBB-, whilst Standard & Poor's cut it to BB+, putting it below investment grade for the first time in a decade. In February 2015 Moody's Investors Service downgraded Russia's rating to Ba1 from Baa3. Fitch Ratings still have Russia as investment grade. However, all these rating agencies indicated a negative outlook, meaning further downgrades are possible.
- the RTS stock exchange index ranged between 910 and 1,060;
- bank lending activity decreased as banks are reassessing the business models of their borrowers and their ability to withstand the increased lending and exchange rates; and
- the CBRF key interest rate decreased from 17.0% p.a. to 12.5% p.a.

These events may have a further significant impact on the Company's future operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation and its impact on the Company's operations may differ from management's current expectations.

### 17. 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 3 and 4**

## ONOMENTO CO LTD

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### DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Page	2015 US\$	2014 US\$
<b>Revenue</b>			
Royalty income		<u>521,285</u>	<u>616,472</u>
Other operating expenses	20	<u>521,285</u> <u>(35,360)</u>	<u>616,472</u> <u>(34,394)</u>
<b>Operating profit</b>		<b>485,925</b>	<b>582,078</b>
Finance costs	21	<b>(1,790)</b>	<b>(1,491)</b>
Net profit/(loss) from foreign exchange transactions	21	<u>2,435</u>	<u>(13,911)</u>
<b>Net profit for the year before tax</b>		<u><b>486,570</b></u>	<u><b>566,676</b></u>

## ONOMENTO CO LTD

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### OPERATING EXPENSES FOR THE YEAR ENDED 31 MARCH 2015

	2015 US\$	2014 US\$
<b>Other operating</b>		
Annual levy	304	-
Auditors' remuneration	4,872	5,959
Accounting fees	12,325	13,017
Legal fees	7,520	7,652
Other professional fees	10,123	7,458
Disbursements fees	216	308
	<u>35,360</u>	<u>34,394</u>

## ONOMENTO CO LTD

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### FINANCE COSTS FOR THE YEAR ENDED 31 MARCH 2015

	2015 US\$	2014 US\$
<b>Finance costs</b>		
<b>Other finance expenses</b>		
Bank charges	<u>1,790</u>	1,491
	<u>1,790</u>	<u>1,491</u>
<b>Net profit/(loss) from foreign exchange transactions</b>		
	2015	2014
	US\$	US\$
Realised exchange loss	(431)	(846)
Unrealised exchange profit/(loss)	<u>2,866</u>	<u>(13,065)</u>
	<u>2,435</u>	<u>(13,911)</u>

