



**A.N. COFFEE DAY INTERNATIONAL LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**A.N. COFFEE DAY INTERNATIONAL LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**C O N T E N T S**

	<u>Page</u>
Officers and Professional Advisors	1
Board of Directors' report	2 - 3
Independent Auditors' report	4 - 5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 20
Certificate	

**A.N. COFFEE DAY INTERNATIONAL LIMITED****OFFICERS AND PROFESSIONAL ADVISORS**

Board of Directors	Arlene Nahikian Rajnish Gopinath Naveen Nath Puttaraj Alige Ganapaiah Naik Deekshith Malle Gowda Koduvalli
Secretary	Cymanco Services Limited
Independent Auditors	KPMG Limited
Banker	Societe Generale Cyprus Limited
Registered Office	12 Esperidon Street 4th floor P.C. 1087, Nicosia Cyprus
Registration number	HE146262

**A.N. COFFEE DAY INTERNATIONAL LIMITED****BOARD OF DIRECTORS' REPORT**

The Board of Directors of A.N. Coffee Day International Limited (the "Company") presents to the members its Annual Report together with the audited financial statements of the Company for the year ended 31 March 2016.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company is the holding of investments.

**FINANCIAL RESULTS**

The Company's financial results for the year ended 31 March 2016 are set out on page 6 to the financial statements. The net loss for the year attributable to the shareholders of the Company amounted to US\$2,553,560 (2015: US\$26,608).

**EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE COMPANY**

The current financial position as presented in the financial statements is not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

**DIVIDENDS**

The Board of Directors does not recommend the payment of a dividend.

**MAIN RISKS AND UNCERTAINTIES**

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 14 to the financial statements.

**FUTURE DEVELOPMENTS**

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future.

**SHARE CAPITAL**

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

**BRANCHES**

During the year ended 31 March 2016 the Company did not operate any branches.

**A.N. COFFEE DAY INTERNATIONAL LIMITED****BOARD OF DIRECTORS' REPORT** *(continued)***BOARD OF DIRECTORS**

The members of the Company's Board of Directors as at 31 March 2016 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 2016.

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 of the Board of Directors.

**EVENTS AFTER THE REPORTING PERIOD**

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

**RELATED PARTY TRANSACTIONS**

Disclosed in note 13 to the financial statements.

**INDEPENDENT AUDITORS**

The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,



Cymanco Services Limited  
Secretary

Nicosia, 4 May 2016



KPMG Limited  
Chartered Accountants  
Millenium Lion House  
1 G. Aradippioti Street, 6016 Larnaca, Cyprus  
P.O. Box 40075, 6300 Larnaca, Cyprus  
T: +357 24 200000, F: +357 24 200200

4

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF

#### A.N. Coffee Day International Limited

#### Report on the financial statements

We have audited the accompanying financial statements of parent company A.N. Coffee Day International Limited (the "Company") on pages 6 to 20, which comprise the statement of financial position as at 31 March 2016, and the statements of profit or loss and other 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.

#### *Auditors' 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.

#### Board Members:

N.G. Syrimis, A.K. Christofides, P.G. Loizou, A.M. Gregoriades, A.A. Demetriou,  
D.S. Vakis, A.A. Apostolou, S.A. Loizides, M.A. Loizides, S.G. Sofocleous,  
M.M. Antoniadis, C.V. Vasiliou, P.E. Antoniadis, M.J. Hallios, M.P. Michael,  
P.A. Peleties, G.V. Markides, M.A. Papacosta, K.A. Papanicolaou, A.I. Shiammoutis,  
G.N. Tziortzis, H.S. Charalambous, C.P. Anayiotos, I.P. Ghalanos, M.G. Gregoriades,  
H.A. Kakoullis, G.P. Savva, C.A. Kalias, C.N. Kallis, M.H. Zavrou, P.S. Elia,  
M.G. Lazarou, Z.E. Hadjizacharias, P.S. Theophanous, M.A. Karantoni, C.A. Markides,  
G.V. Andreou, J.C. Nicolaou, G.S. Prodromou, A.S. Sofocleous, G.N. Syrimis, T.J. Yiasemides

KPMG Limited, a private company limited by shares, registered in Cyprus under registration number HE 132822 with its registered office at 14, Esperidon Street, 1087, Nicosia, Cyprus.

Nicosia  
P.O. Box 21121, 1502  
T: +357 22 209000  
F: +357 22 678200

Limassol  
P.O. Box 50161, 3601  
T: +357 25 869000  
F: +357 25 363842

Paphos  
P.O. Box 60288, 8101  
T: +357 26 943050  
F: +357 26 943062

Paralimni / Ayia Napa  
P.O. Box 33200, 5311  
T: +357 23 820080  
F: +357 23 820084

Polis Chrysochou  
P.O. Box 66014, 8330  
T: +357 26 322098  
F: +357 26 322722



## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF**

#### **A.N. Coffee Day International Limited**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider internal controls 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 controls. 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.

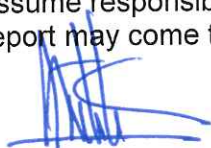
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of parent company A.N. Coffee Day International Limited as at 31 March 2016, 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.

#### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body 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.



Panicos Antoniades, FCCA  
Certified Public Accountant and Registered Auditor  
for and on behalf of

KPMG Limited  
Certified Public Accountants and Registered Auditors  
P.O.Box 40075  
6300 Larnaca  
Cyprus

4 May 2016

## A.N. COFFEE DAY INTERNATIONAL LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOMEFor the year ended 31 March 2016

	Note	31/03/2016 US\$	31/03/2015 US\$
<b>Revenue</b>		-	-
Administrative expenses		(15,378)	(17,024)
Other operating expenses	4	<u>(2,535,000)</u>	<u>-</u>
<b>Operating loss</b>	5	<u>(2,550,378)</u>	<u>(17,024)</u>
Finance income	6	3,263	-
Finance expenses	6	<u>(6,445)</u>	<u>(9,584)</u>
<b>Net finance expenses</b>		<u>(3,182)</u>	<u>(9,584)</u>
<b>Loss before tax</b>		(2,553,560)	(26,608)
Tax	7	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<u>(2,553,560)</u>	<u>(26,608)</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive expense for the year for the year</b>		<u><u>(2,553,560)</u></u>	<u><u>(26,608)</u></u>

The notes on pages 10 to 20 are an integral part of these financial statements.





**A.N. COFFEE DAY INTERNATIONAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

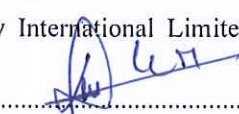
As at 31 March 2016

	Note	31/03/2016 US\$	31/03/2015 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	8	8,788,865	11,323,865
Trade and other receivables	9	<u>2,751,731</u>	<u>1,593,196</u>
<b>Total non-current assets</b>		<u>11,540,596</u>	<u>12,917,061</u>
<b>Current assets</b>			
Trade and other receivables	9	2,290	-
Cash and cash equivalents	10	<u>667</u>	<u>1,050</u>
<b>Total current assets</b>		<u>2,957</u>	<u>1,050</u>
<b>Total assets</b>		<u>11,543,553</u>	<u>12,918,111</u>
<b>Equity</b>			
Share capital	11	6,462	6,462
Share premium		12,925,840	12,925,840
Reserves		<u>(2,690,470)</u>	<u>(136,910)</u>
<b>Total equity</b>		<u>10,241,832</u>	<u>12,795,392</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables	12	<u>1,288,676</u>	<u>114,217</u>
<b>Total non-current liabilities</b>		<u>1,288,676</u>	<u>114,217</u>
<b>Current liabilities</b>			
Trade and other payables	12	<u>13,045</u>	<u>8,502</u>
<b>Total current liabilities</b>		<u>13,045</u>	<u>8,502</u>
<b>Total liabilities</b>		<u>1,301,721</u>	<u>122,719</u>
<b>Total equity and liabilities</b>		<u>11,543,553</u>	<u>12,918,111</u>

On 4 May 2016 the Board of Directors of A.N. Coffee Day International Limited authorised these financial statements for issue.

  
 .....  
 Arlene Nahikian  
 Director

  
 .....  
 Puttaraj Mige Ganapaiah Naik  
 Director

  
 .....  
 Deekshith Malle Gowda Koduvalli  
 Director

The notes on pages 10 to 20 are an integral part of these financial statements.

## A.N. COFFEE DAY INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITYFor the year ended 31 March 2016

	Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Balance at 01 April 2014		2.302	-	(110.302)	(108.000)
Loss for the year		-	-	(26.608)	(26.608)
Issue of share capital	11	<u>4.160</u>	<u>12.925.840</u>	<u>-</u>	<u>12.930.000</u>
Balance at 31 March 2015		<u>6.462</u>	<u>12.925.840</u>	<u>(136.910)</u>	<u>12.795.392</u>
Balance at 01 April 2015		6.462	12.925.840	(136.910)	12.795.392
Loss for the year		<u>-</u>	<u>-</u>	<u>(2.553.560)</u>	<u>(2.553.560)</u>
Balance at 31 March 2016		<u>6.462</u>	<u>12.925.840</u>	<u>(2.690.470)</u>	<u>10.241.832</u>

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate shareholders at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders.

## A.N. COFFEE DAY INTERNATIONAL LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Note	31/03/2016 US\$	31/03/2015 US\$
<b>Cash flows from operating activities</b>			
Loss for the year		(2,553,560)	(26,608)
Adjustments for:			
Unrealised exchange (profit)/loss	6	(3,263)	2,529
Impairment charge - investments in subsidiaries	8	2,535,000	-
<b>Cash used in operations before working capital changes</b>		(21,823)	(24,079)
Increase in trade and other receivables		(1,160,825)	(1,593,196)
Increase/(decrease) in trade and other payables		1,179,002	(11,322,017)
<b>Cash used in operations</b>		(3,646)	(12,939,292)
Tax paid		-	(910)
<b>Net cash used in operating activities</b>		(3,646)	(12,940,202)
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital and share premium		-	12,930,000
Unrealised exchange profit	6	3,263	(2,529)
<b>Net cash generated from financing activities</b>		3,263	12,927,471
<b>Net decrease in cash and cash equivalents</b>		(383)	(12,731)
Cash and cash equivalents at beginning of the year		1,050	13,781
<b>Cash and cash equivalents at end of the year</b>	10	667	1,050

The notes on pages 10 to 20 are an integral part of these financial statements.



## A.N. COFFEE DAY INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

#### 1. INCORPORATION AND PRINCIPAL ACTIVITIES

A.N. Coffee Day International Limited (the "Company") was incorporated in Cyprus on 5 March 2004 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 12 Esperidon Street, 4th floor, P.C. 1087, Nicosia, Cyprus.

The principal activities of the Company is the holding of investments.

#### 2. BASIS OF PREPARATION

##### **(a) Statement of compliance**

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.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2016.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, 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.

##### **(b) Basis of measurement**

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

##### **(c) Adoption of new and revised International Financial Reporting Standards and Interpretations as adopted by the European Union (EU)**

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 01 January 2015. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a significant effect on the financial statements of the Company.

##### **(d) Use of estimates and judgements**

The preparation of financial statements in accordance with IFRSs requires from Management the exercise of judgement, to make estimates and assumptions that influence the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

## A.N. COFFEE DAY INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

#### 2. BASIS OF PREPARATION *(continued)*

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

##### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Notes 8 and 3 "Impairment of investments in subsidiaries" - determine the recoverability of investments in subsidiaries whenever indicators of impairment are present.

##### *Measurement of fair values*

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **(e) Functional and presentation currency**

The financial statements are presented in United States Dollars (US\$) which is the functional currency of the Company.



## A.N. COFFEE DAY INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

### 3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all the years presented in these financial statements.

#### Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are stated at cost, which includes transaction costs, less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

#### Revenue recognition

- *Dividend income*

Dividend income is recognised when the right to receive payment is established.

#### Finance income

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

#### Finance expenses

Interest expense and other borrowing costs are recognised in profit or loss using the effective interest method.

#### Foreign currency translation

- (i) *Functional 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').

- (ii) *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 the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined.

#### Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

#### Financial instruments

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

## A.N. COFFEE DAY INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

#### 3. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

##### Financial instruments (continued)

(i) *Cash and cash equivalents*

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

(ii) *Borrowings*

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

##### Derecognition of financial assets and liabilities

###### *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognized financial assets that is created or retained by the Company is recognised as a separate asset or liability

###### *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

##### 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. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

##### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

**A.N. COFFEE DAY INTERNATIONAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2016**4. OTHER OPERATING EXPENSES**

	31/03/2016 US\$	31/03/2015 US\$
Impairment charge - investments in subsidiaries	<u>2.535.000</u>	<u>-</u>
	<u><u>2.535.000</u></u>	<u><u>-</u></u>

**5. OPERATING LOSS**

	31/03/2016 US\$	31/03/2015 US\$
Operating loss is stated after charging the following items:		
Independent auditors' remuneration - current year	7.574	9.570
Independent auditors' remuneration - prior years	<u>989</u>	<u>-</u>

**6. NET FINANCE INCOME AND EXPENSES**

	31/03/2016 US\$	31/03/2015 US\$
<b>Finance income</b>		
Unrealised foreign exchange profit	<u>3.263</u>	<u>-</u>
	<u><u>3.263</u></u>	<u><u>-</u></u>
<b>Finance costs</b>		
<b>Sundry finance expenses</b>		
Bank charges	5.247	6.939
<b>Net foreign exchange transaction losses</b>		
Realised foreign exchange loss	1.198	116
Unrealised foreign exchange loss	<u>-</u>	<u>2.529</u>
	<u><u>6.445</u></u>	<u><u>9.584</u></u>

**7. TAXATION**

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.



## A.N. COFFEE DAY INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

**8. INVESTMENTS IN SUBSIDIARIES**

	31/03/2016 US\$	31/03/2015 US\$
Balance at 01 April	11.323.865	11.323.865
Impairment charge	(2.535.000)	-
Balance at 31 March	<u>8.788.865</u>	<u>11.323.865</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	31/03/2016 Holding %	31/03/2015 Holding %	31/03/2016 US\$	31/03/2015 US\$
Coffee Day Gastronomie Und Kaffeehandels GmbH	Austria	Trading	100	100	7.434.684	7.434.684
M/s Coffee Day C.Z	Czech Republic	Trading	100	100	3.889.181	3.889.181
Impairment charge					(2.535.000)	-
					<u>8.788.865</u>	<u>11.323.865</u>

The above investments are stated at cost.

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

A.N. Coffee Day International Limited acquired Coffee Day Gastronomie und Kaffeehandels GmbH in April 2005 and Coffee Day C.Z. a.s. in May 2010.

During the year ended 31 March 2014, the Company made an additional investment in Coffee Day Gastronomie Und Kaffeehandels GmbH and Coffee Day C.Z a.s. for the amount of US\$7.411.282 and US\$974.849 respectively.

**A.N. COFFEE DAY INTERNATIONAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2016**9. TRADE AND OTHER RECEIVABLES**

	31/03/2016 US\$	31/03/2015 US\$
Receivables from own subsidiaries (note 13 (i))	2,751,731	1,593,196
Deposits and prepayments	<u>2,290</u>	<u>-</u>
	<u>2,754,021</u>	<u>1,593,196</u>
Non-current portion	2,751,731	1,593,196
Current portion	<u>2,290</u>	<u>-</u>
	<u>2,754,021</u>	<u>1,593,196</u>

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 14 to the financial statements.

**10. CASH AND CASH EQUIVALENTS**

	31/03/2016 US\$	31/03/2015 US\$
Cash at bank	<u>667</u>	<u>1,050</u>
	<u>667</u>	<u>1,050</u>

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

	31/03/2016 US\$	31/03/2015 US\$
Cash and cash equivalents	<u>667</u>	<u>1,050</u>
	<u>667</u>	<u>1,050</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 14 to the financial statements.



## A.N. COFFEE DAY INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 March 2016**11. SHARE CAPITAL**

	31/03/2016 Number of shares	31/03/2016 €	31/03/2015 Number of shares	31/03/2015 €
<b>Authorised</b>				
Ordinary shares of €1,71 converted at a rate of €1=US\$1,2596	<u>502.000</u>	<u>858.420</u>	<u>502.000</u>	<u>858.420</u>
		US\$		US\$
<b>Issued and fully paid</b>				
Balance at 01 April	3.000	6.462	1.000	2.302
Issue of shares 12 September 2014	-	-	1.000	2.284
Issue of shares 26 March 2015	<u>-</u>	<u>-</u>	<u>1.000</u>	<u>1.876</u>
Balance at 31 March	<u>3.000</u>	<u>6.462</u>	<u>3.000</u>	<u>6.462</u>

**12. TRADE AND OTHER PAYABLES**

	31/03/2016 US\$	31/03/2015 US\$
Shareholders' current accounts - credit balances (note 13 (ii))	1.288.676	114.217
Accruals	<u>13.045</u>	<u>8.502</u>
	<u>1.301.721</u>	<u>122.719</u>
Non-current portion	1.288.676	114.217
Current portion	<u>13.045</u>	<u>8.502</u>
	<u>1.301.721</u>	<u>122.719</u>

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

The exposure of the Company to liquidity risk in relation to financial instruments is reported in note 14 to the financial statements.

**13. RELATED PARTY TRANSACTIONS**

The Company is controlled by Coffee Day Global Limited, incorporated in India, which owns 100% of the Company's shares.

**A.N. COFFEE DAY INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**13. RELATED PARTY TRANSACTIONS (continued)**

The transactions and balances with related parties are as follows:

**(i) Receivables from own subsidiaries (note 9)**

		31/03/2016 US\$	31/03/2015 US\$
<u>Name</u>	<u>Nature of transactions</u>		
Coffee Day Gastronomie Und Kaffeehandels GmbH, Austria	Finance	1.162.468	761.287
Coffee Day C.Z, Czech Republic	Finance	<u>1.589.263</u>	<u>831.909</u>
		<u>2.751.731</u>	<u>1.593.196</u>

Receivables from own subsidiaries are interest free, and have no specified repayment date.

**(ii) Shareholders' current accounts - credit balances**

	31/03/2016 US\$	31/03/2015 US\$
Coffee Day Global Limited, India	<u>1.288.676</u>	<u>114.217</u>
	<u>1.288.676</u>	<u>114.217</u>

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

**14. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**

**Financial risk factors**

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Other risks

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

## A.N. COFFEE DAY INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

#### 14. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)*

##### **A. Financial risk management**

###### *(i) Credit risk*

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

###### *Trade and other receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Further details of concentration of revenue are included in note 9.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

###### *(ii) 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 and by having available an adequate amount of committed credit facilities.

###### *(iii) Other risks*

The general economic environment prevailing in Cyprus and internationally may affect the Company's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company.

###### Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while increasing the return to shareholders through the strive to improve the debt to equity ratio. The Company's overall strategy remains unchanged from last year.

#### 15. FAIR VALUES

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

#### 16. CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 31 March 2016.

**A.N. COFFEE DAY INTERNATIONAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2016

**17. COMMITMENTS**

The Company had no capital or other commitments as at 31 March 2016.

**18. EVENTS AFTER THE REPORTING PERIOD**

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

On 4 May 2016 the Board of Directors of A.N. Coffee Day International Limited authorised these financial statements for issue.



**A.N. COFFEE DAY INTERNATIONAL LIMITED**

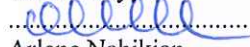
CERTIFICATE

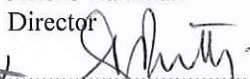
For the year ended 31 March 2016


We hereby certify, to the best of our knowledge and belief, that:

- 1) The proceeds of all sales and all other income have been properly recorded as such in the books produced to KPMG Limited.
- 2) All expenses for the year under review represent expenses incurred wholly and exclusively for the Company's business and have been properly recorded as such in the books produced to KPMG Limited.
- 3) All transactions affecting the business for the year under review have been properly recorded in the books produced to KPMG Limited.
- 4) All reserves are properly shown and all necessary provisions have been duly made and shown as such in the books produced to KPMG Limited.
- 5) All assets and liabilities have been properly taken up as at 31 March 2016 in the books produced to KPMG Limited.
- 6) All investments in non listed titles were presented to KPMG Limited at their fair value, as determined by the Company.
- 7) The Company had no contingent liabilities as at 31 March 2016.
- 8) No events have occurred and no facts have been discovered since the year-end, which could materially affect the true and fair view of these financial statements as at 31 March 2016.

Yours truly,

  
.....  
Arlene Nahikian  
Director

  
.....  
Puttaraj Alige Ganapaiah Naik  
Director

  
.....  
Deekshith Malle Gowda Koduvalli  
Director

Nicosia, 4 May 2016