

A.N. COFFEE DAY INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2018

A.N. Coffee Day International Ltd

FINANCIAL STATEMENTS

For the year ended 31 March 2018

C O N T E N T S

	<u>Page</u>
Officers and Professional Advisors	1
Independent Auditors' report	2 - 4
Statement of profit or loss and other 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

A.N. Coffee Day International LtdOFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	Arlene Nahikian Rajnish Gopinath (resigned on 5/5/2017) 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

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

Independent Auditors' report

to the Members of

A.N. Coffee Day International Ltd

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of A.N. Coffee Day International Limited (the "Company"), which are presented on pages 5 to 17 and comprise the statement of financial position as at 31 March 2018, and the statements of profit or loss and other 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 2018, and of its financial performance and its cash flows for the year then ended .

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 *"Auditors' responsibilities for the audit of the financial statements"* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements in Cyprus that are relevant to our audit of the financial statements, 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.

Board Members:

N.G. Syrimis, A.K. Christofides, P.G. Loizou, A.M. Gregoriades, 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. Halios, M.P. Michael, P.A. Peletios, G.V. Markides, M.A. Papacosta, K.A. Papanicolaou, A.I. Shiamnoutsis, 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, A.A. Bargilly, K.A. Christofides, P.P. Vanezis

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 Ltd

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 IFRS-EU 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 there is an intention to either liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.



Independent Auditors' report
to the Members of
A.N. Coffee Day International Ltd

Auditors' responsibilities for the audit of the financial statements *(continued)*

- 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 auditors' 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 auditors' 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 a 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.

Other matter

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

KPMG Limited

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

17 May 2018

A.N. Coffee Day International Ltd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOMEFor the year ended 31 March 2018

	Note	31/03/2018 US\$	31/03/2017 US\$
Revenue		-	-
Administrative expenses		<u>(17.293)</u>	<u>(12.148)</u>
Operating loss	4	<u>(17.293)</u>	<u>(12.148)</u>
Finance income	5	(112)	44.686
Finance expenses	5	<u>(8.363)</u>	<u>(52.347)</u>
Net finance expenses		<u>(8.475)</u>	<u>(7.661)</u>
Loss for the year		<u>(25.768)</u>	<u>(19.809)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive expense for the year		<u><u>(25.768)</u></u>	<u><u>(19.809)</u></u>

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


A.N. Coffee Day International Ltd


STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	31/03/2018 US\$	31/03/2017 US\$
Assets			
Non-current assets			
Investments in subsidiaries	6	8,788,865	8,788,865
Loans to own subsidiaries	7	<u>2,186,645</u>	<u>2,186,645</u>
Total non-current assets		<u>10,975,510</u>	<u>10,975,510</u>
Current assets			
Trade and other receivables	8	-	2,594
Receivables from own subsidiaries	12	4,283,483	3,518,560
Cash and cash equivalents	9	<u>1,794</u>	<u>1,323</u>
Total current assets		<u>4,285,277</u>	<u>3,522,477</u>
Total assets		<u>15,260,787</u>	<u>14,497,987</u>
Equity			
Share capital	10	9,796	8,185
Share premium		15,343,402	14,212,793
Reserves		<u>(2,736,047)</u>	<u>(2,710,279)</u>
Total equity		<u>12,617,151</u>	<u>11,510,699</u>
Current liabilities			
Trade and other payables	11	9,785	9,958
Shareholders' current accounts - credit balances	12	<u>2,633,851</u>	<u>2,977,330</u>
Total current liabilities		<u>2,643,636</u>	<u>2,987,288</u>
Total liabilities		<u>2,643,636</u>	<u>2,987,288</u>
Total equity and liabilities		<u>15,260,787</u>	<u>14,497,987</u>

On 16 May 2018 the Board of Directors of A.N. Coffee Day International Limited approved and authorised these financial statements for issue.


Arlene Nahikian
Director


Deekshith Malle Gowda Koduvalli
Director

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

A.N. Coffee Day International Ltd

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Balance at 01 April 2016		6.462	12.925.840	(2.690.470)	10.241.832
Loss for the year		-	-	(19.809)	(19.809)
Issue of share capital	10	<u>1.723</u>	<u>1.286.953</u>	<u>-</u>	<u>1.288.676</u>
Balance at 31 March 2017		<u>8.185</u>	<u>14.212.793</u>	<u>(2.710.279)</u>	<u>11.510.699</u>
Balance at 01 April 2017		8.185	14.212.793	(2.710.279)	11.510.699
Loss for the year		-	-	(25.768)	(25.768)
Issue of share capital	10	<u>1.611</u>	<u>1.130.609</u>	<u>-</u>	<u>1.132.220</u>
Balance at 31 March 2018		<u>9.796</u>	<u>15.343.402</u>	<u>(2.736.047)</u>	<u>12.601.407</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 Ltd

STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	Note	31/03/2018 US\$	31/03/2017 US\$
Cash flows from operating activities			
Loss for the year		(25.768)	(19.809)
Adjustments for:			
Unrealised exchange loss		112	1.337
Interest income		-	(42.760)
Interest expense	5	-	42.795
Cash used in operations before working capital changes		(25.656)	(18.437)
Decrease in trade and other receivables		2.594	-
Increase in receivables from own subsidiaries		(764.923)	(767.133)
Increase in shareholders' current accounts		(343.479)	(502.864)
Decrease in trade and other payables		(173)	-
Cash used in operations		(1.131.637)	(1.288.434)
Cash flows from investing activities			
Loans granted		-	(2.186.645)
Interest received		-	42.760
Net cash used in investing activities		-	(2.143.885)
Cash flows from financing activities			
Proceeds from issue of share capital		1.611	1.723
Proceeds from issue of share capital and share premium		1.130.609	1.286.953
Proceeds from borrowings		-	2.188.431
Interest paid		-	(42.795)
Net cash generated from financing activities		1.132.220	3.434.312
Effect of exchange rate fluctuations on cash held		(112)	(1.337)
Net increase in cash and cash equivalents		471	656
Cash and cash equivalents at beginning of the year		1.323	667
Cash and cash equivalents at end of the year	9	1.794	1.323

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

A.N. Coffee Day International Ltd**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2018

1. INCORPORATION AND PRINCIPAL ACTIVITIES

A.N. Coffee Day International Ltd (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 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

(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 April 2017. 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 judgments

The preparation of financial statements in accordance with IFRSs requires from Management the exercise of judgment, 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.

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.

(e) Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

A.N. Coffee Day International Ltd

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 March 2018**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*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

Revenues earned by the Company are recognised on the following bases:

- *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.

Financial instruments

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

(i) Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

A.N. Coffee Day International Ltd

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 March 2018**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

(ii) Cash and cash equivalents

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

(iii) 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.

A.N. Coffee Day International Ltd

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 March 2018**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*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.

4. OPERATING LOSS

	31/03/2018 US\$	31/03/2017 US\$
Operating loss is stated after charging the following items:		
Independent auditors' remuneration	<u>4.863</u>	<u>4.246</u>

5. NET FINANCE INCOME AND EXPENSES

	31/03/2018 US\$	31/03/2017 US\$
Finance income		
Group interest	-	42.760
Unrealised foreign exchange profit	<u>(112)</u>	<u>1.926</u>
	<u>(112)</u>	<u>44.686</u>
Finance costs		
Interest expense		
Interest on loan from related company	-	42.795
Sundry finance expenses		
Bank charges	6.199	6.237
Net foreign exchange transaction losses		
Realised foreign exchange loss	2.164	52
Unrealised foreign exchange loss	<u>-</u>	<u>3.263</u>
	<u>8.363</u>	<u>52.347</u>

A.N. Coffee Day International Ltd

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

6. INVESTMENTS IN SUBSIDIARIES

				2018 US\$	2017 US\$
Balance at 1 April/01 April				<u>8.788.865</u>	<u>8.788.865</u>
Balance at 31 March				<u>8.788.865</u>	<u>8.788.865</u>
The details of the subsidiaries are as follows:					
Name	Country of incorporation	Principal activities	Holding %	31/03/2018 US\$	31/03/2017 US\$
Coffee Day Gastronomie Und Kaffeehandels Gmbh	Austria	Trading	100	7.434.684	7.434.684
M/S Coffee Day C.Z.	Czech Republic	Trading	100	3.889.181	3.889.181
Impairment charge				<u>(2.535.000)</u>	<u>(2.535.000)</u>
				<u>8.788.865</u>	<u>8.788.865</u>

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.

7. LOANS RECEIVABLE

	2018 US\$	2017 US\$
Balance at 1 April/01 April	2.186.645	2.143.885
Interest charged	<u>-</u>	<u>42.760</u>
Balance at 31 March	<u>2.186.645</u>	<u>2.186.645</u>

On 27 September 2016, a loan agreement was signed between the company and Coffee Day C.Z. a.s. for the amount of €2.000.000. The loan amount bears interest at the rate of 4% and is repayable within 18 months from the date the agreement signed. Furthermore the parties have been signed an amendment of the initial agreement on 1 April 2017 and they agreed that the loan will carry an interest rate of 0% p.a. from the date of the amendment up to 31st March 2018.

The exposure of the Company to credit risk is reported in note 13 to the financial statements.

A.N. Coffee Day International Ltd**NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2018**8. TRADE AND OTHER RECEIVABLES**

	31/03/2018 US\$	31/03/2017 US\$
Deposits and prepayments	<u>-</u>	<u>2.594</u>
	<u>-</u>	<u>2.594</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 13 to the financial statements.

9. CASH AND CASH EQUIVALENTS

	31/03/2018 US\$	31/03/2017 US\$
Cash at bank	<u>1.794</u>	<u>1.323</u>
	<u>1.794</u>	<u>1.323</u>

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

	31/03/2018 US\$	31/03/2017 US\$
Cash and cash equivalents	<u>1.794</u>	<u>1.323</u>
	<u>1.794</u>	<u>1.323</u>

Currency:

	31/03/2018 US\$	31/03/2017 US\$
Euro	<u>1.794</u>	<u>1.323</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 13 to the financial statements.

A.N. Coffee Day International Ltd

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2018

10. SHARE CAPITAL

	2018 Number of shares	2018 US\$	2017 Number of shares	2017 US\$
Authorised				
Ordinary shares of €1,71 each	<u>502.900</u>	<u>859.959</u>	<u>502.900</u>	<u>859.959</u>
Issued and fully paid				
Balance at 1 April/01 April	3.900	8.185	3.900	8.185
Issue of shares	<u>800</u>	<u>1.611</u>	<u>-</u>	<u>-</u>
Balance at 31 March	<u>4.700</u>	<u>9.796</u>	<u>3.900</u>	<u>8.185</u>

Issued capital

On 26 September 2017, the company issued and allotted to its shareholders, 550 ordinary shares of nominal value of €1,71 (US\$2,016) each at part plus a total premium of €659.098 (US\$776.878,81).

On 22 November 2017, the company issued and allotted to its shareholders, 250 ordinary shares of nominal value of €1,71 (US\$2,009) each at part plus a total premium of €301.072,50 (US\$353.730,08). -

11. TRADE AND OTHER PAYABLES

	31/03/2018 US\$	31/03/2017 US\$
Accruals	<u>9.785</u>	<u>9.958</u>
	<u>9.785</u>	<u>9.958</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 13 to the financial statements.

12. RELATED PARTY TRANSACTIONS

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

A.N. Coffee Day International Ltd

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 March 2018**12. RELATED PARTY TRANSACTIONS** *(continued)*

The transactions and balances with related parties are as follows:

(i) Receivables from own subsidiaries

<u>Name</u>	<u>Nature of transactions</u>	31/03/2018 US\$	31/03/2017 US\$
Coffee Day Gastronomie Und Kaffeehandels GmbH, Austria	Finance	1.645.175	1.414.776
Coffee Day C.Z, Czech Republic	Finance	<u>2.638.308</u>	<u>2.103.784</u>
		<u>4.283.483</u>	<u>3.518.560</u>

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

(ii) Loans to Subsidiary (note 7)

	31/03/2018 US\$	31/03/2017 US\$
Coffee Day C.Z. a.s., Czech Republic	<u>2.186.645</u>	<u>2.186.645</u>
	<u>2.186.645</u>	<u>2.186.645</u>

The loan to Subsidiary Coffee Day CZ was provided under the terms and conditions described in note 8.

(iii) Shareholders' current accounts - credit balances

	31/03/2018 US\$	31/03/2017 US\$
Coffee Day Global Limited, India	<u>2.633.851</u>	<u>2.977.330</u>
	<u>2.633.851</u>	<u>2.977.330</u>

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

13. 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.

A.N. Coffee Day International Ltd

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 March 2018**13. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT** *(continued)*Financial risk factors *(continued)*

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. 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.

(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.

14. FAIR VALUES

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

On 16 May 2018 the Board of Directors of A.N. Coffee Day International Limited approved and authorised these financial statements for issue.