

COMPANY REGISTRATION NUMBER: 01250122

**Borelli Tea Holdings Limited**  
**Financial Statements**  
**31 March 2020**

**FERGUSON MAIDMENT & CO.**  
Chartered accountants & statutory auditor  
167 Fleet Street  
London  
EC4A 2EA

# Borelli Tea Holdings Limited

## Financial Statements

Year ended 31 March 2020

---

<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	1
Strategic report	2 to 5
Directors' report	6 to 7
Directors' responsibilities statement	8
Independent auditor's report to the member	9 to 12
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17 to 30
<b>The following pages do not form part of the financial statements</b>	
Detailed income statement	32
Notes to the detailed income statement	33

---

**Borelli Tea Holdings Limited**  
**Officers and Professional Advisers**

---

**The board of directors**

D Sen  
K K Baheti  
A Khaitan  
S Knight  
B J Ruck

**Company secretary**

D Sen

**Registered office**

Woodlands  
79 High Street  
Greenhithe  
Kent  
DA9 9RD

**Auditor**

Ferguson Maidment & Co.  
Chartered accountants & statutory auditor  
167 Fleet Street  
London  
EC4A 2EA

**Bankers**

ICICI Bank UK Plc  
21 Knightsbridge  
London  
SW1X 7LY

# Borelli Tea Holdings Limited

## Strategic Report

Year ended 31 March 2020

---

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of an investment holding company and trading company. The other major activity of the company is receiving royalties from the licensing of its intellectual property in trademarks.

The results for the year and financial position of the company are as shown in the annexed financial statements. During the year company performance was satisfactory and the key performance indicators are:

	2020	2019
	£	£
Turnover	844,389	1,902,219
Operating (loss) / profit	2,943,762	8,954,771
Post tax profit	3,570,848	10,164,272
Shareholder's fund	19,900,626	40,936,350

The principal financial instruments comprise bank balances, creditors, debtors and long term loans from group companies as and when required. The main purpose of these instruments is to fund the company's ongoing working capital requirements. Due to the nature of these instruments the company is not exposed to price risk. The company has also taken out a bank loan to finance the company investments. This is the US Dollar denominated loan with agreed interest rates related to US\$ LIBOR. The company is therefore exposed to interest rate risk. The company has US\$ denominated loans payable, loans receivable and bank deposits. The company is therefore exposed to currency risk.

### INVESTMENT IN THE BUSINESS

The company has primarily invested in the tea plantation sector; however it will continue to seek suitable investments in any sector that it believes provides a good investment opportunity and with the increase in tea prices worldwide, the directors expect the company's tea plantation investments to provide enhanced earnings potential in the years ahead.

The performance of the Borelli Tea Holdings Limited and its subsidiaries during the year were as follows:

#### PHU BEN TEA COMPANY LIMITED (PBT)

##### Profit / Loss:

PBT is a fully owned subsidiary of Borelli Tea Holdings Limited. It prepares its accounts calendar year wise. During the year 2019, the company incurred loss (both pre-tax and post-tax) of USD 0.96 Million as against loss (both pre-tax and post-tax) of USD 2.29 Million in year 2018. In Year 2019, Depreciation was USD 0.76 Million and Finance-cost was USD 0.56 Million ; therefore, EBIDTA was positive for Year 2019.

##### Manufacture, Sales, Selling-Price and Closing Stock:

During the year 2019, PBT manufactured 7.20 million kg of tea (2018 - 8.76 million kg). During the year 2019, PBT sold 7.22 million kg tea (2018 - 7.41 million kg). Average selling price per kg during 2019 was USD 1.50 (2018 -USD 1.49). Closing Stock of tea as at 31.12.2019 was 6.11 Million kg (31.12.2018 - 6.13 million kg).

##### Outlook:

In order to improve PBT's profitability in year 2020, many measures have been taken / are being taken. These are mainly: (i) Customer-base have already been widened, thereby reducing over-dependence on major buyers. New buyers and new markets have been found (ii) Cost reductions in fixed overheads is an ongoing process, (iii) Purchase-price of raw material (green leaf) is being

---

# Borelli Tea Holdings Limited

## Strategic Report *(continued)*

Year ended 31 March 2020

---

reduced without affecting quality of green-leaf, (iv) Transport cost (from factories to sea-port) and warehousing-cost (at sea-port) of finished goods is being reduced by improvements in logistics-management, (v) Forex-management is being improved so that conversion of USD (tea-sale-proceeds) to VND (for payment of costs of production) is at best-possible rates, (vi) Cost of Power & Fuel is being reduced by improving operating efficiency in factories.

All efforts are being made to ensure that Phu Ben makes profit in year 2020. PBT has assessed the impact of Covid-19 on its business, and has found that its manpower, fields, factories, procurement, logistics, sales and collections will not be adversely affected.

### **MCLEOD RUSSEL UGANDA LIMITED (MRUL)**

#### Profit / Loss:

MRUL is a fully owned subsidiary of Borelli Tea Holdings Limited. It prepares its accounts calendar year wise. During the year 2019, The Company's total comprehensive loss is USD 1.79 million as against total comprehensive income of USD 2.38 million in year 2018. In Year 2019, Depreciation was USD 1.35 Million and Finance-cost was USD 1.04 Million ; therefore, EBIDTA was positive for Year 2019. Loss during the year is mainly on account of reduction in the selling price of made tea. The reduction in the selling price was partly compensated by increase in the production during the year.

#### Manufacture, Sales, Selling-Price and Closing Stock:

During the year 2019, MRUL manufactured 19.942 million kg of tea (2018 - 17.721 million kg). During the year 2019, MRUL sold 19.989 million kg tea (2018 - 17.068 million kg). Average selling price per kg during 2019 was USD 1.13 (2018 -USD 1.59). Closing Stock of tea as at 31.12.2019 was 4.11 Million kg (31.12.2018 - 4.20 million kg).

#### Outlook:

During the year 2019-2020, MRUL installed an extra production line in Mwenge and Kiko tea estates. The withering capacity of these two estates was increased by 40 tons of green leaf per day with the installation of a Continuous Withering Machine (CWM) at each estate. This contributed to an increased production from 17,721 tons in 2018 to 19,942 tons in 2019, the highest recorded production by MRUL. Unfortunately, this was set off by a significant fall in tea prices in East Africa affecting all tea producers due to the excessive supply of tea due to good rainfall in the region during the year.

In view of the completion of the recommissioning of the Kisaru tea estate factory in early 2020 and the installation of a second line in Muzizi tea estate, we are confident that our production in 2020 will set a new record. We are optimistic that with the completion of our factory projects and improvement in field practices, we shall see a marked improvement in our quality and a resulting increase in sale price. However, the onset of COVID-19 pandemic has seen a negative impact on our production and plucking rounds due to the lock down and shortage of available labour. While we are taking necessary measures to keep our workers and staff safe, we remain optimistic that we shall be able to continue normal operations during this period.

### **MCLEOD RUSSEL AFRICA LIMITED (MRAL)**

#### Profit / Loss:

MRAL is a fully owned subsidiary of Borelli Tea Holdings Limited. It prepares its accounts calendar year wise. During the year 2019, The Company's total comprehensive loss is USD 66,650 as against total comprehensive loss of USD 59,505 in year 2018. In Year 2019, Depreciation was USD 4,530 and Finance-cost was USD 85,778; therefore, EBIDTA was positive for Year 2019.

#### Purchase, Sales, Gross profit and Closing Stock:

During the year 2019, MRAL purchased 3.02 million kg of tea (2018 - 2.73 million kg). During the year 2019, MRAL sold 3.07 million kg tea (2018 - 2.49 million kg). Gross profit for the year 2019 was 4.5%

---

# Borelli Tea Holdings Limited

## Strategic Report *(continued)*

Year ended 31 March 2020

---

(2018 -2.2%). Closing Stock of tea as at 31.12.2019 was 339,192 kg (31.12.2018 - 389,359 kg).

### Outlook:

During the year MRAL have managed to cut cost on our warehousing and also have widened buyers portfolio. MRAL have explored new markets and generated some blend business to Egypt and Afghanistan. These efforts are reflected in the increase in the volume of trade and increase in the gross profit. Efforts are put in place so that MRAL generate positive income from next year onwards.

The new regulation which the Kenyan government is implementing where in all the KTDA teas would pass through auction has been looked positively by MRAL. The Business might grow as those teas need to be bought from Auction through buyers where MRAL is one among them.

COVID-19 pandemic made the year 2020 very difficult as the cases at Mombasa is increasing. The auction is not affected much but the shipment is getting delayed. The teas from the neighbouring counties are held at border and awaiting for clearance and it is taking 20 to 30 more days to reach warehouse at Mombasa. The blend business is getting affected because of these issues. MRAL is able to serve its customer with the stock procured during 2019.

### MCLEOD RUSSEL MIDDLE EAST (MRME)

#### Profit / Loss:

MRME is a fully owned subsidiary of Borelli Tea Holdings Limited. It prepares its accounts calendar year wise. During the year 2019, The Company's total comprehensive income is USD 124,785 as against total comprehensive income of USD 170,690 in year 2018.

#### Purchase, Sales, Gross profit and Closing Stock:

During the year 2019, MRME purchased 1.308 million kg of tea (2018 - 1.313 million kg). During the year 2019, MRME sold 1.214 million kg tea (2018 - 1.255 million kg). Gross profit for the year 2019 was 17.09% (2018 -17.09%). Closing Stock of tea as at 31.12.2019 was 342,560 kg (31.12.2018 - 242,374 kg).

### PFUNDA TEA COMPANY LIMITED

During the year Borelli Tea Holdings sold its remaining 45% of its holding in Pfunda Tea Company in April 2019 to Rwanda Tea Investments Limited for a consideration of GBP 6,354,308 (US\$ 8,260,601).

### BORELLI TEA HOLDINGS RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,383,013 (2019 - £10,164,272). Particulars of dividends paid are detailed in note 9 to the financial statements.

The directors paid a dividend of £7,471,322 (2019 - £8,688,000) during the year after realising part of one its long term investments.

### FUTURE OUTLOOK

Last year the company had realised its investment in Gisovu Tea Company Limited (100%) and Pfunda Tea Company Limited (50% last yearend and 50% this year). These disposals have not only impacted the company's earnings during the year but will also impact company's future income.

In other respects the external commercial environment is expected to remain competitive but stable in coming years.

---

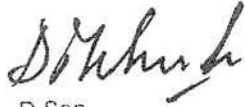
# Borelli Tea Holdings Limited

Strategic Report *(continued)*

Year ended 31 March 2020

---

This report was approved by the board of directors on 17.6.2020 and signed on behalf of the board by:



D Sen  
Director

Registered office:  
Woodlands  
79 High Street  
Greenhithe  
Kent  
DA9 9RD

# **Borelli Tea Holdings Limited**

## **Directors' Report**

**Year ended 31 March 2020**

---

The directors present their report and the financial statements of the company for the year ended 31 March 2020.

### **Directors**

The directors who served the company during the year were as follows:

D Sen  
K K Baheti  
A Khaitan  
S Knight  
B J Ruck

### **Dividends**

The directors paid dividends of £7,471,322 (2019 - £8,688,000) during the year after realising part of one its long term investments.

### **Going concern**

The company is a member of a large group which has considerable financial resources and is fully supported by its parent company. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.



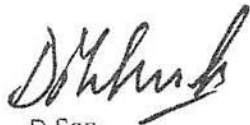
# Borelli Tea Holdings Limited

Directors' Report *(continued)*

Year ended 31 March 2020

---

This report was approved by the board of directors on 17.6.2020 and signed on behalf of the board by:



D Sen  
Director

Registered office:  
Woodlands  
79 High Street  
Greenhithe  
Kent  
DA9 9RD

**Borelli Tea Holdings Limited**  
**Directors' Responsibilities Statement**  
**Year ended 31 March 2020**

---

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Borelli Tea Holdings Limited

## Independent Auditor's Report to the Member of Borelli Tea Holdings Limited

Year ended 31 March 2020

---

### Opinion

We have audited the financial statements of Borelli Tea Holdings Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Borelli Tea Holdings Limited**

## **Independent Auditor's Report to the Member of Borelli Tea Holdings Limited** (continued)

**Year ended 31 March 2020**

---

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# Borelli Tea Holdings Limited

## Independent Auditor's Report to the Member of Borelli Tea Holdings Limited (continued)

Year ended 31 March 2020

---

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 (UK), we exercise professional judgment and maintain professional scepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Borelli Tea Holdings Limited

### Independent Auditor's Report to the Member of Borelli Tea Holdings Limited (continued)

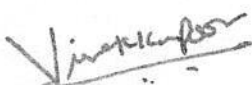
Year ended 31 March 2020

---

We communicate with those charged with governance 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.

#### Use of our report

This report is made solely to the company's member, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.



Vivek Kapoor (Senior Statutory Auditor)

For and on behalf of  
Ferguson Maidment & Co.  
Chartered accountants & statutory auditor  
167 Fleet Street  
London  
EC4A 2EA

17/6/2020

**Borelli Tea Holdings Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 March 2020**

	Note	2020 £	2019 £
<b>Turnover</b>	4	844,389	1,902,219
<b>Gross profit</b>		<u>844,389</u>	<u>1,902,219</u>
Administrative expenses		(389,342)	(1,216,376)
Other operating income	5	25,499	24,697
Gain on disposal of investment		2,463,216	8,244,231
<b>Operating profit</b>	6	<u>2,943,762</u>	<u>8,954,771</u>
Gain on financial assets at fair value through profit or loss		–	72,021
Income from shares in group undertakings	8	1,686,044	2,308,101
Other interest receivable and similar income	9	276,330	614,490
Interest payable and similar expenses	10	(930,872)	(1,133,592)
<b>Profit before taxation</b>		<u>3,975,264</u>	<u>10,815,791</u>
Tax on profit	11	(404,416)	(651,519)
<b>Profit for the financial year</b>		<u>3,570,848</u>	<u>10,164,272</u>
Share Buyback		(17,135,250)	–
<b>Total comprehensive income for the year</b>		<u>(13,564,402)</u>	<u>10,164,272</u>

All the activities of the company are from continuing operations.

The notes on pages 17 to 30 form part of these financial statements.

# Borelli Tea Holdings Limited

## Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	349,293	407,510
Tangible assets	14	220,621	220,621
Investments	15	20,710,883	35,841,639
		<u>21,280,797</u>	<u>36,469,770</u>
<b>Current assets</b>			
Debtors: due within one year	16	4,200,958	14,622,218
Debtors: due after more than one year	16	4,745,302	4,716,633
Investments	17	1	1
Cash at bank and in hand		471,917	3,629,207
		<u>9,418,178</u>	<u>22,968,059</u>
<b>Creditors: amounts falling due within one year</b>	18	1,236,326	3,642,098
<b>Net current assets</b>		<u>8,181,852</u>	<u>19,325,961</u>
<b>Total assets less current liabilities</b>		<u>29,462,649</u>	<u>55,795,731</u>
<b>Creditors: amounts falling due after more than one year</b>	19	9,562,023	14,859,381
<b>Net assets</b>		<u>19,900,626</u>	<u>40,936,350</u>
<b>Capital and reserves</b>			
Called up share capital	21	252,000	362,000
Share premium account	22	6,214,076	6,214,076
Capital redemption reserve	22	110,000	-
Other reserves, including the fair value reserve	22	144,449	144,449
Profit and loss account	22	13,180,101	34,215,825
<b>Shareholders' funds</b>		<u>19,900,626</u>	<u>40,936,350</u>

These financial statements were approved by the board of directors and authorised for issue on 17.6.2020, and are signed on behalf of the board by:

  
D Sen  
Director

Company registration number: 01250122

The notes on pages 17 to 30 form part of these financial statements.



# Borelli Tea Holdings Limited

## Statement of Changes in Equity

Year ended 31 March 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
<b>At 1 April 2018</b>	362,000	6,214,076	–	144,449	32,739,553	39,460,078
Profit for the year	–	–	–	–	10,164,272	10,164,272
<b>Total comprehensive income for the year</b>	–	–	–	–	10,164,272	10,164,272
Dividends paid and payable <b>12</b>	–	–	–	–	(8,688,000)	(8,688,000)
<b>Total investments by and distributions to owners</b>	–	–	–	–	(8,688,000)	(8,688,000)
<b>At 31 March 2019</b>	362,000	6,214,076	–	144,449	34,215,825	<b>40,936,350</b>
Profit for the year	–	–	–	–	3,570,848	<b>3,570,848</b>
Other comprehensive income for the year: Share Buyback	–	–	–	–	(17,135,250)	<b>(17,135,250)</b>
<b>Total comprehensive income for the year</b>	–	–	–	–	(13,564,402)	<b>(13,564,402)</b>
Dividends paid and payable <b>12</b>	–	–	–	–	(7,471,322)	<b>(7,471,322)</b>
Redemption of shares	(110,000)	–	110,000	–	–	–
<b>Total investments by and distributions to owners</b>	(110,000)	–	110,000	–	(7,471,322)	<b>(7,471,322)</b>
<b>At 31 March 2020</b>	<b>252,000</b>	<b>6,214,076</b>	<b>110,000</b>	<b>144,449</b>	<b>13,180,101</b>	<b>19,900,626</b>

The notes on pages 17 to 30 form part of these financial statements.

# Borelli Tea Holdings Limited

## Statement of Cash Flows

Year ended 31 March 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,570,848	10,164,272
<i>Adjustments for:</i>		
Amortisation of intangible assets	58,217	58,218
Gain on financial assets at fair value through profit or loss	–	(72,021)
Income from shares in group undertakings	(1,686,044)	(2,308,101)
Other interest receivable and similar income	(276,330)	(614,490)
Interest payable and similar expenses	930,872	1,133,592
Tax on profit	404,416	651,519
Accrued income	(112,778)	(48,489)
<i>Changes in:</i>		
Trade and other debtors	10,392,591	(11,530,167)
Trade and other creditors	746,000	99,808
Cash generated from operations	14,027,792	(2,465,859)
Interest paid	(930,872)	(1,133,592)
Interest received	276,330	614,490
Tax paid	(404,416)	(651,519)
Net cash from/(used in) operating activities	12,968,834	(3,636,480)
<b>Cash flows from investing activities</b>		
Proceeds from sale of other investments	792,224	–
Dividends received	1,686,044	2,308,101
Capitalisation of loans to/from subsidiaries	7,786,657	(7,031,250)
Disposal of subsidiary undertakings	6,551,875	9,900,210
Net cash from investing activities	16,816,800	5,177,061
<b>Cash flows from financing activities</b>		
Purchase of own shares	(17,135,250)	–
Proceeds from borrowings	(6,140,683)	(2,478,023)
Proceeds from loans from group undertakings	(2,195,669)	5,561,255
Repayments of loans from group undertakings	–	6,180,948
Dividends paid	(7,471,322)	(8,688,000)
Net cash (used in)/from financing activities	(32,942,924)	576,180
Net (decrease)/increase in cash and cash equivalents	(3,157,290)	2,116,761
Cash and cash equivalents at beginning of year	3,629,207	1,512,446
Cash and cash equivalents at end of year	471,917	3,629,207

The notes on pages 17 to 30 form part of these financial statements.

# **Borelli Tea Holdings Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2020**

---

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Woodlands, 79 High Street, Greenhithe, Kent, DA9 9RD.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated outside the EEA and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors have identified the following critical accounting policies for which significant judgement, estimates and assumptions are made. Actual results may differ from these estimates.

##### **(a) Useful economic lives of intangible assets**

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

---

### 3. Accounting policies *(continued)*

#### Derivative instruments

The Company uses derivative financial instruments such as forward exchange contracts, currency swaps etc. to hedge its risk associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments. In respect of Forward Exchange Contracts with underlying transactions the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

Other derivatives contracts outstanding at the Balance Sheet date are marked to market and resulting loss, if any, is provided for in the financial statements. Any profit or losses arising on cancellation or maturity of derivative instruments are recognized as income or expense for the period.

#### Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

---

### 3. Accounting policies *(continued)*

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Trademarks and patents - between 5 and 20 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Investment property - not depreciated

#### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value unless otherwise stated with changes in fair value being recognised in profit or loss.

#### Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

---

### 3. Accounting policies *(continued)*

#### Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Basic Financial assets

Basic financial assets, which include debtors are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest rate method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### Basic Financial liabilities

Basic financial liabilities which include creditors are initially recognised at transaction price and are subsequently carried at amortised cost using the effective interest rate method, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as receivable within one year are not amortised.

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Royalties, management and license fees	<u>844,389</u>	<u>1,902,219</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2020	2019
	£	£
Rental income	<u>25,499</u>	<u>24,697</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2020	2019
	£	£
Amortisation of intangible assets	58,217	58,218
Impairment of trade debtors	–	447,150
Foreign exchange differences	<u>34,493</u>	<u>288,655</u>

7. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>5,000</u>	<u>8,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>50,475</u>	<u>28,000</u>

8. Income from shares in group undertakings

	2020	2019
	£	£
Income from shares in group undertakings	<u>1,686,044</u>	<u>2,308,101</u>

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on loans and receivables	<u>276,330</u>	<u>614,490</u>

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 10. Interest payable and similar expenses

	2020	2019
	£	£
Interest on banks loans and overdrafts	(30,593)	(420,248)
Other interest payable and similar charges	(900,279)	(713,344)
	<u>(930,872)</u>	<u>(1,133,592)</u>

### 11. Tax on profit

#### Major components of tax expense

	2020	2019
	£	£
<b>Current tax:</b>		
Adjustments in respect of prior periods	–	(7,095)
Tax suffered on royalty, management and rental income	130,483	289,016
Tax suffered on dividend and interest received	273,933	369,598
Total current tax	<u>404,416</u>	<u>651,519</u>
<b>Tax on profit</b>	<u>404,416</u>	<u>651,519</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit on ordinary activities before taxation	3,975,264	10,815,791
Profit on ordinary activities by rate of tax	755,300	2,055,000
Adjustment to tax charge in respect of prior periods	–	(7,095)
Utilisation of tax losses	33,059	(36,373)
Effect of non-taxable income	(320,348)	(452,223)
Tax suffered on royalty, management and rental income	130,483	289,016
Tax suffered on dividend and interest received	273,933	369,598
Effect of non-taxable gains	(468,011)	(1,566,404)
Tax on profit	<u>404,416</u>	<u>651,519</u>

### 12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2020	2019
	£	£
Equity dividends on ordinary shares	<u>7,471,322</u>	<u>8,688,000</u>



# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 13. Intangible assets

	Patents, trademarks and licences £
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	1,164,350
<b>Amortisation</b>	
At 1 April 2019	756,840
Charge for the year	58,217
<b>At 31 March 2020</b>	<u>815,057</u>
<b>Carrying amount</b>	
At 31 March 2020	<u>349,293</u>
At 31 March 2019	<u>407,510</u>

### 14. Tangible assets

	Investment property £
At 1 April 2019 and 31 March 2020	<u>220,621</u>
<b>Depreciation</b>	
At 1 April 2019 and 31 March 2020	—
<b>Carrying amount</b>	
At 31 March 2020	<u>220,621</u>
At 31 March 2019	<u>220,621</u>

The directors are of the opinion that market value of the property, including the associated fixture and fittings, is not materially different from its valuation stated above.

### 15. Investments

	Shares in group undertakings £	Investments in subsidiaries £	Total £
<b>Cost</b>			
At 1 April 2019	792,224	35,049,415	35,841,639
Disposals	(792,224)	(14,338,532)	(15,130,756)
<b>At 31 March 2020</b>	<u>—</u>	<u>20,710,883</u>	<u>20,710,883</u>
<b>Impairment</b>			
At 1 April 2019 and 31 March 2020	—	—	—

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 15. Investments *(continued)*

Carrying amount			
At 31 March 2020	–	20,710,883	<u>20,710,883</u>
At 31 March 2019	<u>792,224</u>	<u>35,049,415</u>	<u>35,841,639</u>

#### Investment in Group Undertakings

During the second quarter of FY 2019-20, Borelli Tea Holdings Limited (BTHL) sold its entire shareholding of McLeod Russel India Limited (MRIL) which was approximately 16% of the issued ordinary share capital of MRIL, a company incorporated in India and also a parent company of BTHL. BTHL does not hold any shares in MRIL as on 31 March 2020.

The estimated market value as at 31 March 2020 is £Nil (2019: £16,211,100).

#### Investments in Subsidiary Undertakings

Investments in subsidiaries are stated at cost. Valuing individual subsidiary investments is difficult without incurring substantial costs however the directors are of the opinion that these investments would overall show a substantial surplus on realisation or valuation as compared to the book value.

Investments in subsidiaries relate to the following investments:

#### PHU BEN TEA COMPANY LIMITED (PBT)

The company owns 100% of the issued share capital of Phu Ben Tea Company Limited, a company incorporated in Vietnam. Phu Ben Tea Company Limited was purchased in March 2009 at a cost of £1,542,163.

##### Aggregate capital and reserves

The latest available audited financial statements are for the year ended 31 December 2019. The company's net assets at the prevailing rate of exchange at 31 March 2020 were £3,610,013 (2019: £4,206,523).

##### Profit and (loss) for the year

The company made a loss of £753,673 in the year to 31 December 2019 at average exchange rates (2018: Loss - £1,721,152).

#### MCLEOD RUSSEL UGANDA LIMITED

The company owns 100% of the issued share capital of McLeod Russel (Uganda) Limited. The Company was incorporated in Uganda and was purchased in January 2010 with effect from 31 December 2009.

##### Aggregate capital and reserves

The latest available audited financial statements are for the year ended 31 December 2019. The Company's net assets at the prevailing rate of exchange at 31 March 2020 were £15,780,062 (2019: £25,795,534).

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

---

### 15. Investments *(continued)*

Profit and (loss) for the year

The Company made a loss of £1,394,557 in the year to 31 December 2019 at average exchange rates (2018: profit after tax of £1,770,523). During the year the Company paid a dividend of £1,433,138 (2018: £Nil) to Borelli Tea Holdings Limited.

#### **MCLEOD RUSSEL MIDDLE EAST - DMCC**

The company owns 100% of the issued share capital of Mcleod Russel Middle East DMCC. The company is incorporated in Dubai (United Arab Emirates).

Aggregate capital and reserves

The latest available audited financial statements are for the period ended 31 December 2019. The company's net assets at the prevailing rate of exchange at 31 March 2020 were £153,789 (2019: £50,702).

Profit and (loss) for the year

Mcleod Russel Middle East DMCC made a profit of £97,488 in the period to 31 December 2019 at average exchange rates (2018: £127,381).

#### **MCLEOD RUSSEL AFRICA LIMITED**

The company owns 100% of the issued share capital of Mcleod Russel Africa Limited. The company is incorporated in Kenya.

Aggregate capital and reserves

The latest available audited financial statements are for the period ended 31 December 2019. The company's net liabilities at the prevailing rate of exchange at 31 March 2020 were £260,778 (2019: £204,494).

Profit and (loss) for the year

Mcleod Russel Africa Limited made a loss of £52,406 in the period to 31 December 2019 at average exchange rates (2018: £44,525).

#### **PFUNDA TEA COMPANY LIMITED**

In 2014 the company bought 90% of the issued share capital of Pfunda Tea Limited, incorporated in Rwanda, at a cost of US\$19,500,000. The remaining 10% of the share capital was owned by the Cooperative Des Theiculteurs de Pfunda. Last year BTHL sold 50% of its investment in Pfunda Tea Company for £6m, while the remaining 50% was sold during the year for £6.5m as per the agreed a memorandum of understanding signed by BTHL with a third party last year.

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 16. Debtors

Debtors falling due within one year are as follows:

	2020	2019
	£	£
Trade debtors	848,596	833,589
Prepayments and accrued income	3,343,268	3,353,376
Other debtors	9,094	10,435,253
	<u>4,200,958</u>	<u>14,622,218</u>

Debtors falling due after one year are as follows:

	2020	2019
	£	£
Amounts owed by group undertakings	<u>4,745,302</u>	<u>4,716,633</u>

### 17. Investments

	2020	2019
	£	£
Other investments	828,598	828,598
Provision for diminution in value of investment	(828,597)	(828,597)
	<u>1</u>	<u>1</u>

These investments are unlisted shares stated at the lower of cost and net realisable value. The directors are of the opinion that the value of these investments is not less than the amount at which they are stated in these financial statements.

### 18. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	114,854	3,153,847
Accruals and deferred income	12,022	130,113
Other creditors	1,297,285	358,138
	<u>1,424,161</u>	<u>3,642,098</u>

The bank loan is repayable within one year. The interest charged on the loan is at 4.9% over the relevant 3 month US\$LIBOR.

The bank loan was secured by a first ranking charge over the all the assets of the company. The loan is guaranteed by the holding company Mcleod Russel India Limited.

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

---

### 19. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	–	3,101,689
Amounts owed to group undertakings	<b>9,562,023</b>	11,757,692
	<b><u>9,562,023</u></b>	<b><u>14,859,381</u></b>

### 20. Financial instruments

The company has the following financial instruments:

Financial assets that are debt instruments measured at amortised cost

	2020	2019
	£	£
Trade debtors	<b>848,596</b>	833,589
Other debtors	<b>9,094</b>	10,435,253
Amounts owed by group undertakings	<b>4,745,302</b>	4,716,633
	<b><u>5,602,992</u></b>	<b><u>15,985,475</u></b>

Financial liabilities measured at amortised cost

	2020	2019
	£	£
Bank loans and overdrafts	<b>114,854</b>	6,255,536
Other creditors	<b>1,297,285</b>	358,138
Amounts owed to group undertakings	<b>9,562,023</b>	11,757,692
	<b><u>10,974,162</u></b>	<b><u>18,371,366</u></b>

---

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 21. Called up share capital

#### Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

#### Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>252,000</u>	<u>252,000</u>	<u>362,000</u>	<u>362,000</u>

### 22. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

### 23. Analysis of changes in net debt

	At 1 Apr 2019	Cash flows	At 31 Mar 2020
	£	£	£
Cash at bank and in hand	3,629,207	(3,157,290)	471,917
Debt due within one year	(3,153,847)	3,038,994	(114,853)
Debt due after one year	(14,859,381)	5,297,358	(9,562,023)
Current asset investments	1	-	1
	<u>(14,384,020)</u>	<u>5,179,061</u>	<u>(9,204,959)</u>

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

### 24. Related party transactions

Transactions with group companies are as follows:

	2020 £	2019 £
Mcleod Russel India Limited		
Dividend paid	7,471,322	8,688,000
Royalties receivable	–	361,879
Dividend received	–	95,541
	2020 £	2019 £
Phu Ben Tea Company Limited		
Loan balance receivable	2,826,613	2,807,692
Interest income	186,943	505,449
	2020 £	2020 £
Mcleod Russel Uganda Limited		
Loan balance payable	9,562,023	10,461,538
Interest expense	720,223	482,802
Dividend received	1,433,138	–
	2020 £	2019 £
Gisovu Tea Company Limited		
Technical and management fee income	–	551,346
Rental Income	25,499	24,696
Dividend received	–	1,075,451
	2020 £	2019 £
Mcleod Russel Middle East DMCC		
Loan balance receivable	8,329	86,752
Interest income	4,968	8,361
	2020 £	2019 £
Mcleod Russel Africa Limited		
Loan balance receivable	1,910,360	1,822,189
Interest income	63,392	62,966

# Borelli Tea Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

---

	2020	2019
	£	£
Pfunda Tea Company		
Loan balance payable	–	2,757,692
Interest expense	–	66,781
Technical and management fee income	–	254,404
Dividend received	–	805,225

### Other related party transactions

The company paid management fees of £141,000 (2019: £272,300) to Trans Global Freight Management Limited, a UK registered company, which has directors in common with Borelli Tea Holdings Limited.

### 25. Ultimate parent company

The company's immediate and ultimate parent undertaking is McLeod Russel India Limited, a company registered in India.

The ultimate parent undertaking and the smallest and the largest group to consolidate these financial statements is McLeod Russel India Limited. Copies of the consolidated financial statements can be obtained from the Company Secretary and Compliance Officer - Four Mangoe Lane Surendra Mohan Ghosh Sarani Kolkata India - 700001 or <http://www.mcleodrussel.com/investors/annual-reports.aspx>.