

Borelli Tea Holdings Limited
Financial Statements
31 March 2022

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

Borelli Tea Holdings Limited

Financial Statements

Year ended 31 March 2022

Contents	Pages
Officers and professional advisers	1
Strategic report	2 to 6
Directors' report	7 to 8
Directors' responsibilities statement	9
Independent auditor's report to the member	10 to 15
Statement of income and retained earnings	16
Statement of financial position	17
Statement of cash flows	18
Notes to the financial statements	19 to 31
The following pages do not form part of the financial statements	
Detailed income statement	33
Notes to the detailed income statement	34

Borelli Tea Holdings Limited
Officers and Professional Advisers

The board of directors	D Sen A Khaitan S Knight B J Ruck P Bhar
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 2022

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:

	2022	2021
	£	£
Turnover	874,776	1,036,047
Operating (loss) / profit	(495,500)	920,639
Post tax profit	(812,243)	384,401
Shareholder's fund	19,472,784	20,285,027

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 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 calendar year 2021, the company incurred loss (both pre-tax and post-tax) of USD 4.51 Million as against loss (both pre-tax and post-tax) of USD 2.06 Million in calendar year 2020. In Year 2021, Depreciation was USD 0.73 million and Finance-cost was USD 0.29 million; therefore, operating profit (i.e. EBIDT) was negative for Year 2021.

Manufacture, Sales, Selling-Price and Closing Stock:

During the year 2021, PBT manufactured 3.24 million kg of tea (2020 : 6.47 million kg). During the year 2021, PBT sold 6.14 million kg tea (2020: 7.32 million kg). Average selling price per kg during 2021 was USD 1.19 (2020: USD 1.42). Closing Stock of tea as at 31.12.2021 was 3.16 Million kg (31.12.2020: 5.89 million kg).

Outlook:

In order to improve PBT's profitability in year 2022, 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 and semi variable overheads is an ongoing process, (iii) Insurance premiums reduced by 30% by opting for annual contracts instead of monthly (iv) Transport cost of finished goods is being reduced by shipments from the factories instead of transshipments from ICD (v) Streamlining the export

Borelli Tea Holdings Limited

Strategic Report *(continued)*

Year ended 31 March 2022

procedures and elimination of several export formalities(vi) Cost of Power & Fuel is being reduced by monitoring and improving the quality and price of supply of coal. Rationalisation of power consumption. (vii) Procurement and monitoring of high quality basic raw material (Green Leaf) at the same rate to improve the quality of the produce and fetch better price. All efforts are being made so that Phu Ben makes operating-profit in calendar year 2022.

Assessment of impact of COVID-Pandemic and the world order, and steps taken to overcome the adverse impact:PBT has assessed the impact of Covid-19 on its business, and has found that its manpower, fields, factories, procurement will not be affected but logistics, sales and collections will be nominally affected.

MCLEOD RUSSEL UGANDA LIMITED (MRUL)

Profit / Loss:

MRUL is a fully owned subsidiary of Borelli Tea Holdings Limited. It prepares its accounts on a calendar year basis. During the year 2021, the Company's total comprehensive loss was USD 0.70 million as against total comprehensive income of USD 0.48 million in year 2020. During the year, the company focussed its attention on factory efficiency and even with lower sales realization the company was able to sustain its creditability with bank and other creditors by paying back their dues. In Year 2021, Depreciation was USD 1.697 Million and Finance-cost was USD 1.302 Million; therefore, EBIDTA was positive for Year 2021.

Manufacture, Sales, Selling-Price and Closing Stock:

During the year 2021, MRUL manufactured 20.973 million kg of tea (2020 - 21.942 million kg). During the year 2021, MRUL sold 20.796 million kg tea (2020 - 22.314 million kg). Average selling price per kg during 2021 was USD 1.13 (2020 -USD 1.20). Closing Stock of tea as at 31.12.2021 was 3.80 Million kg (31.12.2020 - 3.68 million kg).

Outlook:

With all the sixteen lines of the six Factories running in 2021, MRUL managed to produce 20,972,691 Kgs of Made Tea out of which 11,121,588 Kgs came from Own crop and 9,851,103 Kgs came from Bought Leaf. Compared to 2020, there was a drop of 969,935 Kgs in 2021 - a drop of 1,530,647 Kgs own leaf and an increase of 560,712 from bought leaf.

There was a drop in rainfall in 2021 at Ankole, Kiko and Muzizi compared to 2021. There was a corresponding drop in own crop of the above Estates and across the Company. All the Estates had a drop in the yields in 2021 compared to 2020.

Like other countries, Uganda's economy was also badly affected by Covid-19 since 2020. The country underwent frequent lockdowns of different durations. Like in 2020, movement of Labour became a problem due to such restriction in movements.

Increased checks at border crossings slowed down movement of trade and people, even when the President of Uganda fully opened the economy. The queues on both sides of the border extended several kilometres and it could take up to five days to clear, mainly because of coronavirus-related health checks. This affected the movement of goods to and from Mombasa. It has also created a shortage of containers.

MRUL is committed to controlling the spread of Covid-19 and continues to expend resources on this cause.

Borelli Tea Holdings Limited

Strategic Report *(continued)*

Year ended 31 March 2022

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 2021, The Company's total comprehensive loss is USD 18,902 as against total comprehensive loss of USD 94,988 in year 2020. In Year 2021, Depreciation was USD 2,846 and Finance-cost was USD 82,932; therefore, EBITDA was positive for Year 2021.

Purchase, Sales, Gross profit and Closing Stock:

During the year 2021, MRAL purchased 1.35 million kg of tea (2020 - 2.29 million kg). During the year 2021, MRAL sold 1.43 million kg tea (2020 - 2.42 million kg). Gross profit for the year 2021 was 7.57% (2020 -5.6%). Closing Stock of tea as at 31.12.2021 was 86,582 kg (31.12.2020 - 168,492 kg).

Outlook:

In 2021 MRAL made a strong bid to profitability as it incorporated new clients, employed effective costing to its clients to ensure profitability. This was also achieved by an aggressive marketing and improved service delivery to attract and maintain its client base. MRAL prioritized profit-based trading as opposed to quantity based. This had a multiple effect of reduction of the financial costs and increased profitability to each of its contract. Key markets during the period were Egypt, Ukraine, Almaty, UAE and Saudi Arabia. MRAL had its trading with Karachi minimised due to the low trading margins that the destination offers. The major challenge that MRAL continues to face from their competitors is lack of credit facilities to its clients. This has seen major potential high value customers not consider MRAL as their preferred supplier.

In 2022 MRAL intends to step up its efforts for sourcing new clients in its key markets especially Egypt, Saudi Arabia and Almaty. Trade Fair to Egypt at the beginning of the year has made MRAL get new contacts in the market and also increase its client base. MRAL intends also to visit Saudi Arabia shortly for purposes of strengthening relations to its new clients in the region as they source for new ones. MRAL also intends to participate in major Tea Trade Fairs during the year as they have proven capable of bringing all clients in a region under one roof. On the Finance part, MRAL has approached local banks for financing at favourable terms in order to decrease its high finance costs.

MRAL currently facing challenges due to the Russia-Ukraine war as the two countries have been supportive to its business. This has informed the above decision by MRAL to aggressively increase operations in other destinations. The Minimum price limits by the Kenyan government has also impacted on MRAL clients who trade on the lower priced teas.

MRAL looks forward to a challenging financial year due to the above factors but remain confident to increase its profitability by implementing its marketing strategies for the year.

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 2021, The Company's total comprehensive Loss is USD 172,912 as against total comprehensive income of USD 44,045 in year 2020. In Year 2021, Depreciation was USD 1,115 and Finance-cost was USD 10,488; therefore, EBITDA was also negative for Year 2021.

Purchase, Sales, Gross profit and Closing Stock:

During the year 2021, MRME purchased 642,466 kg of tea (2020 - 1,021,586 kg). During the year 2021, MRME sold 750,726 kg tea (2020 - 1,178,844 kg). Gross profit for the year 2021 was 14.37% (2020 - 15.72%). Closing Stock of tea as at 31.12.2021 was 84,680 kg (31.12.2020 - 191,171 kg).

Outlook:

2021 was a difficult year for McLeod Russel Middle East DMCC in terms of both business and finance.

Borelli Tea Holdings Limited

Strategic Report *(continued)*

Year ended 31 March 2022

MRME had to stop business completely with one of its largest customers at the Dubai Tea Trade Centre (DTTC), due to long outstanding payments and initiated legal proceedings for recovery of the dues. Further, MRME's main customer decided to review their buying mid-year and changed their purchasing operations from local sourcing of blends which were being supplied by MRME to direct sourcing from origin in a straight line form. MRME's business was severely impacted as a result. The operations were also impacted by the exit of the General Manager during the year. The one time settlement payment for the exit of the head of operations as well as the legal expenses incurred for taking forward the matter of recovery of dues from the defaulting customer at DTTC put a severe strain on MRME's finances and profitability in 2021. The slowdown of normal business in the region due to the Covid 19 pandemic also impacted MRME's business during the year.

Since the establishment of the new management in the last quarter of 2021, several steps have been taken to revive MRME's business and improve profitability. The new management has since worked proactively to take the main customer into confidence and resume business which can be considered a major success for MRME. Due to timely involvement of top management and improved quality and service, 50% of the business has since been revived. A decision was also taken to expand MRME's customer base in order to reduce the reliance on just one or two large customers. This has also seen success in terms of adding smaller local customers to add to the business. MRME has improved the quality of the local Blend STD's thus gaining 40 % increase in business from the newly added local market clients in a short time span. Another major breakthrough for MRME has been the development and commencement of business with a large CIS buyer. This business is now developing steadily and has the potential of becoming the second major vertical of business for MRME after its main local customer. MRME also participated in a major food and beverage trade fair in UAE and obtained several leads which are being followed up on and likely to translate into business in 2022. This includes a new client who is a major supplier for foodstuffs across UAE, Oman, Saudi Arabia and Iraq.

The outlook for 2022 for McLeod Russel Middle East is positive despite the current challenges arising from the political situation in Russia, Ukraine and Sri Lanka. The increased price level of Kenyan and Indian teas is also likely to prove a challenge in maintaining high profit margins for MRME. MRME is confident of meeting these challenges and growing the business and profitability in 2022 with all the work that has been put in over the last few months to retain existing customers and gain new business. In the legal matter of recovery of dues from the defaulting customer at DTTC, MRME has seen success and is at the final stage of a settlement agreement with the customer for recovery of its dues in full as well as the legal expenses incurred to date. Business with the main customer, having been revived is now growing and expected to reach significant numbers in the new year. Business with the new customers added in 2021 are all growing and the results are expected to show in terms of both topline and bottom line growth for MRME in 2022.

BORELLI TEA HOLDINGS RESULTS AND DIVIDENDS

The profit (loss) for the year, after taxation, amounted to (£812,243) (2021 - £384,401).

The directors paid a dividend of £Nil (2021 - £Nil) during the year.

FUTURE OUTLOOK

The company's future outlook in respects of external commercial environment is expected to remain competitive but stable in coming years.

Borelli Tea Holdings Limited

Strategic Report *(continued)*

Year ended 31 March 2022

This report was approved by the board of directors on 23/5/2022 and signed on behalf of the board by:



D Sen
Company Secretary

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

Borelli Tea Holdings Limited

Directors' Report

Year ended 31 March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

Directors

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

D Sen
A Khaitan
S Knight
B J Ruck
P Bhar

Dividends

The directors do not recommend payment of dividend during the year.

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 2022

This report was approved by the board of directors on 23/5/2022 and signed on behalf of the board by:



D Sen
Company Secretary

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

Borelli Tea Holdings Limited
Directors' Responsibilities Statement
Year ended 31 March 2022

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 2022

Opinion

We have audited the financial statements of Borelli Tea Holdings Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, statement of financial position, 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 2022 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Borelli Tea Holdings Limited

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

Year ended 31 March 2022

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 2022

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.

Borelli Tea Holdings Limited

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

(continued)

Year ended 31 March 2022

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur; by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative or potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed

Borelli Tea Holdings Limited

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

(continued)

Year ended 31 March 2022

procedures which included, but were not limited to:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 2022

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

23/05/2022

Borelli Tea Holdings Limited
Statement of Income and Retained Earnings
Year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	874,776	1,036,047
Gross profit		<u>874,776</u>	<u>1,036,047</u>
Administrative expenses		(1,454,330)	(142,055)
Other operating income	5	84,054	26,647
Operating (loss)/profit	6	<u>(495,500)</u>	<u>920,639</u>
Other interest receivable and similar income	8	22,689	214,891
Interest payable and similar expenses	9	(477,327)	(578,543)
(Loss)/profit before taxation		<u>(950,138)</u>	<u>556,987</u>
Tax on (loss)/profit	10	137,895	(172,586)
(Loss)/profit for the financial year and total comprehensive income		<u>(812,243)</u>	<u>384,401</u>
Retained earnings at the start of the year		<u>13,564,502</u>	<u>13,180,101</u>
Retained earnings at the end of the year		<u>12,752,259</u>	<u>13,564,502</u>

All the activities of the company are from continuing operations.

The notes on pages 19 to 31 form part of these financial statements.

Borelli Tea Holdings Limited

Statement of Financial Position

31 March 2022

	Note	2022		2021
		£	£	£
Fixed assets				
Intangible assets	11		232,858	291,075
Tangible assets	12		220,621	220,621
Investments	13		26,004,505	20,710,883
			<u>26,457,984</u>	<u>21,222,579</u>
Current assets				
Debtors: due within one year	14	194,518		3,717,902
Debtors: due after more than one year	14	1,141,688		3,645,143
Investments	15	1		1
Cash at bank and in hand		244,969		410,156
		<u>1,581,176</u>		<u>7,773,202</u>
Creditors: amounts falling due within one year	16	<u>2,125,640</u>		1,601,824
Net current (liabilities)/assets			(544,464)	6,171,378
Total assets less current liabilities			<u>25,913,520</u>	<u>27,393,957</u>
Creditors: amounts falling due after more than one year	17		<u>6,440,736</u>	7,108,930
Net assets			<u>19,472,784</u>	<u>20,285,027</u>
Capital and reserves				
Called up share capital	19		252,000	252,000
Share premium account	20		6,214,076	6,214,076
Capital redemption reserve	20		110,000	110,000
Other reserves, including the fair value reserve	20		144,449	144,449
Profit and loss account	20		12,752,259	13,564,502
Shareholders' funds			<u>19,472,784</u>	<u>20,285,027</u>

These financial statements were approved by the board of directors and authorised for issue on ~~23.1.2023~~ and are signed on behalf of the board by:



P Bhar
Director

Company registration number: 01250122

The notes on pages 19 to 31 form part of these financial statements.

Borelli Tea Holdings Limited

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(812,243)	384,401
<i>Adjustments for:</i>		
Amortisation of intangible assets	58,217	58,218
Other interest receivable and similar income	(22,689)	(214,891)
Interest payable and similar expenses	477,327	578,543
Tax on (loss)/profit	(137,895)	172,586
Accrued (income)/expenses	(21,692)	9,670
<i>Changes in:</i>		
Trade and other debtors	6,026,839	1,583,215
Trade and other creditors	545,508	470,681
Cash generated from operations	6,113,372	3,042,423
Interest paid	(477,327)	(578,543)
Interest received	22,689	214,891
Tax received/(paid)	137,895	(172,586)
Net cash from operating activities	5,796,629	2,506,185
Cash flows from investing activities		
Purchases of other investments	(5,293,622)	—
Net cash used in investing activities	(5,293,622)	—
Cash flows from financing activities		
Proceeds from borrowings	—	(114,853)
Proceeds from loans from group undertakings	(668,194)	(2,453,093)
Net cash used in financing activities	(668,194)	(2,567,946)
Net decrease in cash and cash equivalents	(165,187)	(61,761)
Cash and cash equivalents at beginning of year	410,156	471,917
Cash and cash equivalents at end of year	244,969	410,156

The notes on pages 19 to 31 form part of these financial statements.

Borelli Tea Holdings Limited

Notes to the Financial Statements

Year ended 31 March 2022

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 2022

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 2022

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.

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.

Investments in associates

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

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

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 2022

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Royalties, management and license fees	<u>874,776</u>	<u>1,036,047</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

	2022	2021
	£	£
Rental income	25,115	26,647
Other operating income	<u>58,939</u>	<u>–</u>
	<u>84,054</u>	<u>26,647</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Amortisation of intangible assets	58,217	58,218
Bad debts written off	975,703	–
Foreign exchange differences	<u>320,363</u>	<u>(190,601)</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>5,000</u>	<u>5,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>34,000</u>	<u>34,000</u>

8. Other interest receivable and similar income

	2022	2021
	£	£
Interest on loans and receivables	<u>22,689</u>	<u>214,891</u>

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

9. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	–	(2,060)
Other interest payable and similar charges	(477,327)	(576,483)
	<u>(477,327)</u>	<u>(578,543)</u>

10. Tax on (loss)/profit

Major components of tax (income)/expense

	2022	2021
	£	£
Current tax:		
Tax suffered on royalty, management and rental income	(3,442)	159,407
Tax suffered on dividend and interest received	(134,453)	13,179
Total current tax	<u>(137,895)</u>	<u>172,586</u>
Tax on (loss)/profit	<u>(137,895)</u>	<u>172,586</u>

Reconciliation of tax (income)/expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
(Loss)/profit on ordinary activities before taxation	(950,138)	<u>556,987</u>
(Loss)/profit on ordinary activities by rate of tax	(1,700,526)	105,827
Utilisation of tax losses	1,700,526	(105,827)
Tax suffered on royalty, management and rental income	(3,442)	159,407
Tax suffered on dividend and interest received	(134,453)	13,179
Tax on (loss)/profit	<u>(137,895)</u>	<u>172,586</u>

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

11. Intangible assets

	Patents, trademarks and licences £
Cost	
At 1 April 2021 and 31 March 2022	1,164,350
Amortisation	
At 1 April 2021	873,275
Charge for the year	58,217
At 31 March 2022	931,492
Carrying amount	
At 31 March 2022	232,858
At 31 March 2021	291,075

12. Tangible assets

	Investment property £
At 1 April 2021 and 31 March 2022	220,621
Depreciation	
At 1 April 2021 and 31 March 2022	—
Carrying amount	
At 31 March 2022	220,621
At 31 March 2021	220,621

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.

13. Investments

	Investments in subsidiaries £
Cost	
At 1 April 2021	20,710,883
Additions	5,293,622
At 31 March 2022	26,004,505
Impairment	
At 1 April 2021 and 31 March 2022	—

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Investments *(continued)*

	Investments in subsidiaries £
Carrying amount At 31 March 2022	26,004,505
At 31 March 2021	<u>20,710,883</u>

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Investments *(continued)*

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 2021. The company's net assets at the prevailing rate of exchange at 31 March 2022 were £3,931,843 (2020: £1,798,542).

Profit and (loss) for the year

The company made a loss of £1,635,770 in the year to 31 December 2021 at average exchange rates (2020: Loss - £1,610,091).

Borelli Tea Holdings Limited (BTHL) has pledged BTHL investment in its 100% subsidiary Phu Ben Tea Company Limited for its ultimate parent company MRIL so that MRIL can avail a short term loan of INR 4,000,000,000 (Four Billion Indian Rupees Only) and Term Loan of INR 500,000,000 (Five Hundred Million Only) from Yes Bank, having its registered office in Mumbai, India. This has been registered as a charged by the lender against BTHL on 7th January 2021 with Companies House.

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 2021. The Company's net assets at the prevailing rate of exchange at 31 March 2022 were £12,852,691 (2021: £15,078,847).

Profit and (loss) for the year

The Company made a loss of £502,940 in the year to 31 December 2021 at average exchange rates (2020: Profit of £375,452). During the year the Company paid a dividend of Nil (2020: £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 2021. The company's net assets at the prevailing rate of exchange at 31 March 2022 were £47,199 (2021: £171,345).

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

13. Investments *(continued)*

Profit and (loss) for the year

Mcleod Russel Middle East DMCC made a loss of £125,299 in the period to 31 December 2021 at average exchange rates (2020: Profit of £34,410).

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 2021. The company's net liabilities at the prevailing rate of exchange at 31 March 2022 were £306,164 (2021: £293,119).

Profit and (loss) for the year

Mcleod Russel Africa Limited made a loss of £14,257 in the period to 31 December 2021 at average exchange rates (2020: Loss of 76,594).

14. Debtors

Debtors falling due within one year are as follows:

	2022	2021
	£	£
Trade debtors	–	845,295
Prepayments and accrued income	194,441	2,872,529
Other debtors	77	78
	<u>194,518</u>	<u>3,717,902</u>

Debtors falling due after one year are as follows:

	2022	2021
	£	£
Amounts owed by group undertakings	<u>1,141,688</u>	<u>3,645,143</u>

15. Investments

	2022	2021
	£	£
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.

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals and deferred income	–	21,692
Other creditors	2,125,640	1,580,132
	<u>2,125,640</u>	<u>1,601,824</u>

17. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Amounts owed to group undertakings	6,440,736	7,108,930

18. Financial instruments

The company has the following financial instruments:

Financial assets that are debt instruments measured at amortised cost

	2022	2021
	£	£
Trade debtors	–	845,295
Other debtors	77	78
Amounts owed by group undertakings	1,141,688	3,645,143
	<u>1,141,765</u>	<u>4,490,516</u>

Financial liabilities measured at amortised cost

	2022	2021
	£	£
Other creditors	2,125,640	1,580,132
Amounts owed to group undertakings	6,440,736	7,180,930
	<u>8,566,376</u>	<u>8,761,062</u>

19. Called up share capital

Authorised share capital

	2022		2021	
	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

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>252,000</u>	<u>252,000</u>	<u>252,000</u>	<u>252,000</u>

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

20. 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.

21. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	At 31 Mar 2022
	£	£	£
Cash at bank and in hand	410,156	(165,187)	244,969
Debt due after one year	(7,108,930)	668,194	(6,440,736)
Current asset investments	1	-	1
	<u>(6,698,773)</u>	<u>503,007</u>	<u>(6,195,766)</u>

Borelli Tea Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

22. Related party transactions

Transactions with group companies are as follows:

	2022 £	2021 £
Phu Ben Tea Company Limited		
Loan balance receivable	–	2,536,496
Interest income	–	178,244
	2022 £	2021 £
Mcleod Russel Uganda Limited		
Loan balance payable	6,440,736	7,108,930
Interest expense	381,862	461,186
License fee	743,560	880,639
	2022 £	2021 £
Mcleod Russel Middle East DMCC		
Interest income	–	1,948
	2022 £	2021 £
Mcleod Russel Africa Limited		
Loan balance receivable	1,141,688	1,108,647
Interest income	19,285	21,520

Other related party transactions

The company paid management fees of £60,000 (2021: £120,000) to Trans Global Freight Management Limited, a UK registered company, which has directors in common with Borelli Tea Holdings Limited.

23. 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>.

Borelli Tea Holdings Limited

Management Information

Year ended 31 March 2022

The following pages do not form part of the financial statements.

Borelli Tea Holdings Limited

Detailed Income Statement

Year ended 31 March 2022

	2022	2021
	£	£
Turnover	874,776	1,036,047
Gross profit	874,776	1,036,047
Overheads		
Administrative expenses	1,454,330	142,055
Other operating income	84,054	26,647
Operating (loss)/profit	(495,500)	920,639
Other interest receivable and similar income	22,689	214,891
Interest payable and similar expenses	(477,327)	(578,543)
(Loss)/profit before taxation	(950,138)	556,987

Borelli Tea Holdings Limited
Notes to the Detailed Income Statement
Year ended 31 March 2022

	2022 £	2021 £
Administrative expenses		
Travel and subsistence	16	2,411
Telephone	376	533
Management charges	60,000	120,000
Printing postage and stationery	234	460
General expenses	180	201
Legal and professional fees	33,950	125,435
Auditor's remuneration	5,000	5,000
Amortisation of patent and licences	58,217	58,218
Bad debts written off	975,703	-
Bank charges	291	20,398
Foreign currency losses/(gains)	320,363	(190,601)
	<u>1,454,330</u>	<u>142,055</u>
Other operating income		
Operating lease rental income	25,115	26,647
Other operating income	58,939	-
	<u>84,054</u>	<u>26,647</u>
Other interest receivable and similar income		
Interest on loans and receivables	22,689	214,891
Interest payable and similar expenses		
Interest on banks loans and overdrafts	-	2,060
Interest payable on intercompany loans	477,327	576,483
	<u>477,327</u>	<u>578,543</u>