

1. MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied presented, unless otherwise stated.

1.1 Basis of Preparation

1.1.1 Compliance with Ind AS

These financial statements comply in all material aspects with Ind. AS (Indian Accounting Standards).

1.1.2 Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.3 Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- i) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- ii) Certain biological assets (including unplucked green leaves) – measured at fair value less cost to sell.
- iii) Gratuity liability is measured at fair value on basis of actuarial valuation.

1.1.4 BASIS FOR CONSOLIDATION

The Consolidated financial statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements" and Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures". Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group members' financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation have been drawn up to same reporting date as that of the Parent, i.e., year ended on 31st March except for the Financial Statements of the Step-down subsidiaries which have been



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prepared upto the reporting date of 31st December. The financial statements of step down subsidiaries have been consolidated with the subsidiary company having the reporting period ending on 31st March and have been audited by another firm of chartered accountant and the said consolidated financial statements has been considered for these consolidated financial statements.

Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through it's:

- a) Power over the investee or holding more than 51% of investee's paid up share capital
- b) Exposure, or rights to variable returns from its involvement with the investee
- c) The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control:

i. Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of such control. The acquisition method of accounting is used to account for business combinations by the Group.

ii. The Group combines the financial statements of the Parent and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.

iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances unless otherwise stated elsewhere.

iv. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.

v. Share of Non-controlling interest's in net profit/(loss) of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Parent. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.

vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Parent's shareholders.



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Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Parent's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

1.2 Segment Reporting

BTHL and MRME

N/A

MRUL and MRAL

Operating segments are reported in a manner consistent with the internal reporting.

**1.3 Foreign Currency Translation
Group**

Foreign currency transactions are translated into British pounds (£) functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign Currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet.



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- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in 'Foreign Currency Translation Reserve' under 'Reserves & Surplus'.

1.4 Revenue Recognition

Borelli Tea Holdings Limited

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer.

Mcleod Russel Uganda Limited

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of tea claim and are net of sales return, value added tax, trade allowances and amount collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognized as follows:

Revenue from the export of made tea for auction is recognized when confirmation of sale is received from the tea broker, or in the case of direct sales, when the tea is loaded on the vessel and bill of lading issued.

Mcleod Russel Middle East DMCC

The company is in the business of blending, packaging and trading in tea.

Revenue from sale of goods is recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customers and have been accepted by the customers at their premises and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer or the company has objective evidence that all criteria for acceptance have been satisfied.

The amount of revenue is shown as net of discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.



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McLeod Russel Africa Limited

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of tea claim and are net of sales return, value added tax, trade allowances and amount collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognized as follows:

Revenue from the export of made tea for auction is recognized when confirmation of sale is received from the tea broker, or in the case of direct sales, when the tea is loaded on the vessel and bill of lading issued.

1.5 Government Grants

Borelli Tea Holdings Limited

Not applicable

McLeod Russel Uganda Limited

Not applicable

McLeod Russel Middle East DMCC

Not applicable

McLeod Russel Africa Limited

Not applicable

1.6 Accounting for Taxes on Income

Borelli Tea Holdings Limited

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Company pays UK corporation tax at the rate of 25% of its assessable income.



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Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets/liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary and associate where in case of assets it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised and in case of liabilities the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred 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, the tax is also recognised in other comprehensive income or directly in equity, respectively.

McLeod Russel Uganda Limited

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

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Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.



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Deferred tax assets/liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary and associate where in case of assets it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised and in case of liabilities the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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Current and deferred 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, the tax is also recognised in other comprehensive income or directly in equity, respectively.

McLeod Russel Middle East DMCC

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred 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, the tax is also recognised in other comprehensive income or directly in equity, respectively.



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McLeod Russel Africa Limited

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred 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, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.7 Cash and Cash Equivalents

Group

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.8 Trade Receivables
Group



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Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

1.9 Inventories

Borelli Tea Holdings Limited

Not applicable

McLeod Russel Uganda Limited

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased tea leaves, Stores and Spare parts and Finished Goods are stated at lower of cost and net realisable value. Cost of Finished Goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

McLeod Russel Middle East DMCC

Finished Goods are stated at lower of cost and net realisable value. Cost of Finished Goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

McLeod Russel Africa Limited

Raw materials including harvested tea leaves, produced from own gardens are measured at lower of cost and net realisable value. Cost being the fair value less cost to sell at the point of harvest of tea leaves.

Raw materials of purchased tea leaves, Stores and Spare parts and Finished Goods are stated at lower of cost and net realisable value. Cost of Finished Goods comprise direct material, direct labour and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.10 Biological Assets



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Borelli Tea Holdings Limited

Not applicable

McLeod Russel Uganda Limited

Tea leaves growing on tea bushes (i.e. unharvested leaf) are measured at fair value less cost to sell with changes in fair value recognised in Statement of profit and loss.

McLeod Russel Middle East DMCC

Not applicable

McLeod Russel Africa Limited

Tea leaves growing on tea bushes (i.e. unharvested leaf) are measured at fair value less cost to sell with changes in fair value recognised in Statement of profit and loss.

1.11 Financial Instruments

Group

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments. The company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

A. Financial Assets

Initial Recognition and measurement

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.



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Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate in initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- (i) at amortised cost,
- (ii) at fair value through other comprehensive income (FVTOCI), and
- (iii) at fair value through profit or loss (FVTPL).

Financial Assets at amortised cost

A 'financial Asset' is measured at the amortised cost if the following two conditions are met:

- (i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

Financial Assets at Fair value through profit or loss (FVTPL)

Financial Assets which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

Equity Instruments

Equity instruments in the Scope of Ind AS 109 are measured at FVTPL.

The company makes an election to present changes in fair value through other comprehensive income or through profit or loss on instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

In case the company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

Derecognition

The Company derecognizes a financial asset or a company of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers



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the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

B. Financial Liabilities

Initial Recognition and measurement

The financial liabilities include trade and other payables, loan and borrowings including book overdraft, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified in the following categories:

- (i) at amortised cost, and
- (ii) at fair value through profit or loss (FVTPL).

Financial Liabilities at amortised cost

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in the consolidated statement of profit and loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

Financial Liabilities at Fair value through profit or loss (FVTPL)

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

Derecognition

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

C. Derivative and Hedge Accounting

Initial Recognition and Subsequent measurement

The Company on entering into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies, uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.



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Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in the Consolidated Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Consolidated Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

- Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in the Consolidated Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Consolidated Statement of profit and loss.

D. Offsetting financial instruments

Financial assets and liabilities including derivative financial instruments are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

E. Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

F. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

G. Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.



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The company recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.

The company recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

1.12 **Property, Plant and Equipment**

Borelli Tea Holdings Limited

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost which represents the carrying value of PPE (including Revaluation thereon) as at 1st April 2015 as per previous generally accepted accounting principles (Previous GAAP) and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised and added to the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Bearer plants comprising of matured tea bushes are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries are carried at cost less impairment losses recognised thereagainst under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

Where, The Company's leased assets comprises of land, building and plant and machinery and these have been separately shown/disclosed under PPE as Right of Use (ROU) Assets.



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Costs incurred for infilling are generally recognized in the Consolidated Statement of Profit and Loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

Capital work in progress includes nurseries, young tea under plantation, equipment's to be installed, construction and erection costs and other costs incurred in relation thereto or attributable to the same. Such costs are added to the related items of PPE and are classified to the appropriate categories when completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives.

Range of Life (years)

• Tea Plantations	:N/A
• Buildings	: N/A
• Plant and Equipment	: N/A
• Bearer Plants	: N/A
• Furniture and Fixtures	: N/A
• Vehicles	: N/A
• Computer	: N/A
• Office Equipment	: N/A

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

McLeod Russel Uganda Limited

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost which represents the carrying value of PPE (including Revaluation thereon) as at 1st April 2015 as per previous generally accepted accounting principles (Previous GAAP) and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.



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Notes to Consolidated Financial Statements (Contd.)

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised and added to the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the profit and loss statement when incurred. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

Bearer plants comprising of matured tea bushes are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries are carried at cost less impairment losses and recognised under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

The Company's leased assets comprise of land and building and these have been separately shown/disclosed under PPE as Right of Use (ROU) Assets.

Costs incurred for infilling are generally recognized in the profit and loss statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

Capital work in progress includes nurseries, young tea under plantation, equipment to be installed, construction and erection costs and other costs incurred in relation thereto or attributable to the same. Such costs are added to the related items of PPE and are classified to the appropriate categories when completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives.

Nature of assets

Buildings
Bearer plant – tea bushes
Bearer plant – forests

Useful life

50 years
50 years
20 to 33 years



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

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Plant and machinery	5 to 20 years
Fixtures & Fixture	3 to 5 years
Vehicles	4 years
Computers	3 to 5 years
Motor vehicles	4 years

Land is not depreciated.

Bearer Plants are depreciated from the date when they are ready for commercial harvest. Immature bearer plants (i.e. young tea) are treated as Capital Work in Progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

McLeod Russel Middle East DMCC

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost which represents the carrying value of PPE (including Revaluation thereon) as at 1st April 2015 as per previous generally accepted accounting principles (Previous GAAP) and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised and added to the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives.

Nature of assets
Buildings
Bearer plant – tea bushes

Useful life

N/A

N/A



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
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Bearer plant – forests	N/A
Plant and machinery	N/A
Fixtures & Fixture	4 years
Vehicles	N/A
Computers	4 years
Motor vehicles	N/A

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

McLeod Russel Africa Limited

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost which represents the carrying value of PPE (including Revaluation thereon) as at 1st April 2015 as per previous generally accepted accounting principles (Previous GAAP) and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised and added to the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Costs incurred for infilling are generally recognized in the Consolidated Statement of Profit and Loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives.



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**

Notes to Consolidated Financial Statements (Contd.)

Nature of assets	Useful life
Plant and machinery	
Fixtures & Fixture	
Vehicles	
Computers	

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

1.13 Intangible Assets

Borelli Tea Holdings Limited

1.13.1 Trademark

Separately acquired Trademark is shown at historical cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses.

1.13.2 Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

1.13.3 Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	<u>Range of Life (years)</u>
• Trademark	20
• Computer software	N/A

McLeod Russel Uganda Limited

1.13.1 Trademark

Not Applicable

1.13.2 Computer software

Computer software are stated at acquisition cost net of accumulated amortization and



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
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Notes to Consolidated Financial Statements (Contd.)

accumulated impairment losses, if any. An impairment loss is recognized whenever the carrying amount of the computer software of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

1.13.3 Amortisation methods and periods

The Company amortizes intangible assets with a finite useful life using the straight- line method over the following periods

Nature of assets	Range of Life (Years)
Trademark	Not Applicable
Computer Software	5 years

Mcleod Russel Middle East DMCC

1.13.1 Trademark

Not applicable

1.13.2 Computer software

Not applicable

1.13.3 Amortisation methods and periods

The Company amortizes intangible assets with a finite useful life using the straight- line method over the following periods

Nature of assets	Range of Life (Years)
Trademark	N/A
Computer Software	N/A

Mcleod Russel Africa Limited

1.13.1 Trademark

1.13.2 Computer software

Computer software are stated at acquisition cost net of accumulated amortization and accumulated impairment losses, if any. An impairment loss is recognized whenever the carrying amount of the computer software of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

1.13.4 Amortisation methods and periods

The Company amortizes intangible assets with a finite useful life using the straight- line method over the following periods

Nature of assets	Range of Life (Years)
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Notes to Consolidated Financial Statements (Contd.)

Trademark
Computer Software

1.14 Leases

Borelli Tea Holdings Limited

N/A

McLeod Russel Uganda Limited

The Company's lease asset classes primarily consist of leases for Land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligations is presented separately under the head "Borrowings".

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

McLeod Russel Middle East DMCC

The Company applies the short-term lease recognition exemption to its short-term leases of office premise (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

McLeod Russel Africa Limited

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligations is presented separately under the head "Borrowings".

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.



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They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

1.15 Provision, Contingent Liabilities and Contingent Assets, legal or constructive

Group

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are not recognised and disclosed by way of notes to the consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
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Notes to Consolidated Financial Statements (Contd.)

1.16 Employee Benefits

Borelli Tea Holdings Limited

1.16.1 Short-term Employee Benefits

N/A

1.16.2 Long-term Employee Benefits (Unfunded)

N/A

1.16.3 Post-employment Benefit Plans

N/A

1.16.4 Bonus plans

N/A

McLeod Russel Uganda Limited

1.16.1 Short-term Employee Benefits

Short term employee benefits are recognised as an expense in the profit and loss statement in the year in which services are rendered.

1.16.2 Long-term Employee Benefits (Unfunded)

(i) Retirement benefit obligations:

The Company and all its employees contribute to the National Social Security Fund, which is a defined contribution retirement benefits scheme. A defined contribution scheme is a retirement benefits scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company's contributions to the defined contribution retirement benefits scheme are charged to the profit and loss statement in the year to which they relate.

(ii) Other entitlements:

The estimated monetary liability for employees accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual.

(iii) Staff gratuity:

The Company's terms and conditions of employment provide for a gratuity to its employees. The gratuity is payable after completion of five years' service upon resignation, retirement or termination and on condition that the employee leaves honourably. The gratuity is calculated at twenty working days per year of service for employees with five to ten years' service and thirty working days per year of service for those with more than ten years' service. The provision



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takes account of service rendered by employees up to the balance sheet date and is based on the actuarial valuation.

1.16.3 Post-employment Benefit Plans

Not Applicable

1.16.4 Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

McLeod Russel Middle East DMCC

1.16.1 Short-term Employee Benefits

Not applicable

1.16.2 Long-term Employee Benefits (Unfunded)

Not applicable

1.16.3 Post-employment Benefit Plans

Gratuity provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

1.16.4 Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

McLeod Russel Africa Limited

1.16.1 Short-term Employee Benefits

1.16.2 Long-term Employee Benefits (Unfunded)

(i) Retirement benefit obligations:

The Company and all its employees contribute to the National Social Security Fund, which is a defined contribution retirement benefits scheme. A defined contribution scheme is a retirement benefits scheme under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company's contributions to the defined contribution retirement benefits scheme are charged to the profit and loss account in the year to which they relate.

(ii) Other entitlements:



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The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual.

(iii) Staff gratuity:

The Company's terms and conditions of employment provide for a gratuity to its employees. The gratuity is payable after completion of five years' service upon resignation, retirement or termination and on condition that the employee leaves honourably. The gratuity is calculated at twenty working days per year of service for employees with five to ten years' service and thirty working days per year of service for those with more than ten years' service. The provision takes account of service rendered by employees up to the balance sheet date and is based on the actuarial valuation.

1.16.3 Post-employment Benefit Plans

1.16.4 Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.17 Impairment of non-financial assets

Group

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or company of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.18 Research and Development

Borelli Tea Holdings Limited

N/A

Mcleod Russel Uganda Limited

Revenue expenditure on Research and Development is recognised as a charge in the profit and loss statement. Capital expenditure on assets acquired for Research and Development is added to Property, Plant and Equipment, if any.



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McLeod Russel Middle East DMCC

N/A

McLeod Russel Africa Limited

Revenue expenditure on Research and Development is recognised as a charge in the Statement Profit and Loss. Capital expenditure on assets acquired for Research and Development is added to Property, Plant and Equipment, if any.

1.19 Use of Estimates

Borelli Tea Holdings Limited

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements are:

i) Taxation:

Since the company has only investment business, critical estimates and judgements are not involved for taxation.

ii) Depreciation and amortisation:

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.



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iii) Provisions and Contingencies:

Provisions and contingencies are based on management's best estimate of the liabilities based on the facts known at the balance sheet date.

iv) Fair Value of Biological Assets:

N/A

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the parent entity and that are believed to be reasonable under the circumstances.

McLeod Russel Uganda Limited

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

The preparation of the financial statements require the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. The areas involving critical estimates and judgements are:

i) Taxation:

The Company is engaged in agricultural activities and also subject to tax liability under MAT provisions in case of parent entity. Significant judgement is involved in determining the tax liability for the Company. Also, there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

ii) Depreciation and amortisation:

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and



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may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii) Provisions and Contingencies:

Provisions and contingencies are based on management's best estimate of the liabilities based on the facts known at the balance sheet date.

iv) Fair Value of Biological Assets:

The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the parent entity and that are believed to be reasonable under the circumstances.

v) Defined employee benefit obligation:

In case of MRUL, gratuity is applicable. Gratuity is accounted on basis of actuarial valuation. Actuarial valuation involves a number of assumptions.

vi) Impairment loss on trade- receivables:

Accounting of impairment loss in trade- receivables is based on credit worthiness, historical – experiences and aging.

Mcleod Russel Middle East DMCC

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



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The areas involving critical estimates and judgements are:

i) Taxation:

The Company is engaged in trading activity and also subject to tax liability under UAE Corporate tax provisions effective 1 January 2024. Significant judgement is involved in determining the tax liability for the Company. Further judgement is involved in determining the deferred tax position on the balance sheet date.

ii) Depreciation and amortisation:

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii) Provisions and Contingencies:

Provisions and contingencies are based on management's best estimate of the liabilities based on the facts known at the balance sheet date.

iv) Fair Value of Biological Assets:

Not applicable

v) Defined employee benefit obligation:

Provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with the U.A.E. labour law.

vi) Impairment loss on trade- receivables:

Accounting of impairment loss in trade- receivables is based on credit worthiness, historical – experiences and aging.

McLeod Russel Africa Limited

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
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relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements are:

i) Taxation:

The Company is engaged in agricultural activities and also subject to tax liability under MAT provisions in case of parent entity. Significant judgement is involved in determining the tax liability for the Company. Also there are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Further judgement is involved in determining the deferred tax position on the balance sheet date.

ii) Depreciation and amortisation:

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii) Provisions and Contingencies:

Provisions and contingencies are based on management's best estimate of the liabilities based on the facts known at the balance sheet date.

iv) Fair Value of Biological Assets:

The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the parent entity and that are believed to be reasonable under the circumstances.

v) Defined employee benefit obligation:

In case of MRUL, gratuity is applicable. Gratuity is accounted on basis of actuarial valuation. Actuarial valuation involves a number of assumptions.

vi) Impairment loss on trade- receivables:

Accounting of impairment loss in trade- receivables is based on credit worthiness, historical – experiences and aging.

1.20 Borrowing costs

Group



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**

Notes to Consolidated Financial Statements (Contd.)

Interest and other borrowing costs are charged to Statement of Profit and Loss. However, in case of qualifying projects, such costs would be capitalized.

1.21 Goodwill

Group

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

1.22 Significant changes in Accounting-Policies (if any):

Borelli Tea Holdings Limited

Not applicable

McLeod Russel Uganda Limited

Not applicable

McLeod Russel Africa Limited

Not applicable

McLeod Russel Middle East DMCC

Not applicable

38. Scope of Consolidation:

The consolidated financial statements for the year comprise the financial statements of the Parent Company, financial statements of its wholly owned subsidiaries to include, the financial statements of McLeod Russel Uganda Limited (incorporated in Uganda), the financial statements of McLeod Russel Middle East DMCC (incorporated in Dubai) and the financial statements of McLeod Russel Africa Limited (incorporated in Kenya). The accounting year of the parent is Apr- March while the accounting year of all of its subsidiaries is Jan-Dec.

39. Detail of Employee Benefits:

Borelli Tea Holdings Limited

39.1 Post Employment Defined Contribution Plans:

N/A

39.2 Post Employment Defined Benefit Plans:

N/A

McLeod Russel Uganda Limited



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

39.1 Post Employment Defined Contribution Plans:

Refer to 1.16.2 above for the description.

The charge to the profit and loss statement relating to contributions to the National Social Security Fund was US\$ 1,402 million (2024: US\$ 1,604 million).

39.2 Post Employment Defined Benefit Plans:

Not applicable

Mcleod Russel Middle East DMCC

39.1 Post Employment Defined Contribution Plans:

Refer to 1.16.2 above for the description.

39.2 Post Employment Defined Benefit Plans:

Provision is made for end-of-service gratuity payable to the staff at the balance sheet date in accordance with the U.A.E. labour law.

Gratuity provision – US \$ 6,641/-.

Mcleod Russel Africa Limited

40. Contingent Liabilities:

Borelli Tea Holdings Limited

	Current Year Ended March-26 Amount	Previous Year Ended March-25 Amount
i) Claims not acknowledged as debts (Specify each item separately) All claims must be quantified. In case some Claim is not quantifiable, please specifically write so.	£Nil	£Nil
ii) Guarantees given on behalf of other companies to banks etc. and year-end utilisation	£Nil	£Nil
iii) Bank Guarantees Outstanding	£Nil	£Nil
iv) Any other (please specify)	£Nil	£Nil

Mcleod Russel Uganda Limited



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

i) Claims not acknowledged as debts:

The Company is a defendant in various legal actions arising in the normal course of business. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss. Total claims at the year-end amounted to US\$ 531.372 million (2024: US\$ – 538.772 million).

Pending court cases and corresponding plaintiff claims against MRUL

	Plaintiff	Ref.	Court	Description	Claim (US\$)	Status
1	Joseph Agondoa	56/2004	Fort Portal High Court	Lodged in 2004 by a former employee for wrongful dismissal.	41,260,344	Due for judgement at a date not yet communicated; it is a dormant case.
2	Daniel Tibagwa	70/2004	Masindi Chief Mag.	Was a Shift Supervisor at Bugambe and involved in a Made Tea Theft Case. Filed a case for wrongful arrest. Court dismissed his case with costs. In attempt to evade execution, he filed an application to set aside Judgement.	No outflow is expected	A hearing was setup in 2013 with adjournment happening without the hearing taking place. It was finally heard on 29 th Jan 2014; judgement initially scheduled for 7 th May 2014 has not been delivered to-date.
3	Hoima District Local Government	CS-041 / 2013	Masindi High Court	District Local Government sued MRUL for non-payment of Cess by Bugambe Tea Estate since 2010. The Case filed as a summary procedure; it did not warrant fully-fledged hearing. An application was filed, by MRUL, which convinced the judge to allow a hearing.	137,420,000	Before the 1st hearing took place, the Minister of Local Government issued communication withdrawing the law on payment of Cess on Produce. A ruling was granted in favour of the defendant (MRUL) on 6 th May 2014 at the high Court in Masindi. Still waiting for the plaintiff's action.
4	Doreen Muhairwe Komukyeya	CS-311/2014	Kampala High Court – Land Division	A Niece to King Solomon Iguru of Bunyoro claimed hereditary share of late father, 230.5 acres part of Bugambe T.E. After privatization from Government ownership, King Solomon's share was paid out by RHTC. Plaintiff claimed the 340.5 acres plus earnings from the same since 2003.	Amount cannot be estimated	Defence was filed in Court providing proof of ownership by King Solomon and evidence of settlement to him. Plaintiff advised to settle her hereditary disputes with her uncle. This matter was still being heard and a notice to produce documents was served on the 3 rd Defendant by the plaintiff on 6 th Feb 2015. The said documents were provided by 3 rd Defendant. Thereafter, the plaintiff has not taken any further step to ensure the case is sent for mediation or is fixed for scheduling or hearing, to date.



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

5	Agolei	Civil Suit No. 41 of 2023	In The Chief Magistrate's Court Of Kagadi Holden At Kagadi	The Plaintiff claims the Defendant cut the power line supplying his Grinding mill leading to loss in income. Previously he had sued Muzizi T. E. and the case was dismissed. Now he has sued MRUL.	Amount cannot be estimated	Previously he had sued Muzizi T. E. and the case was dismissed. Now he has sued MRUL Personnel Officer Muzizi Attended Court on 14th September 2023 - Court resolved that; MRUL avail Witness Statement(s) of the case to Court latest by 21st September 2023 which was submitted Judgement was delivered on 24th June 2024 in favour of the plaintiff. Appeal to Hoima High Court has been made by MRUL On 6th July 2025, the appellant should do formal submission. By 16th July 2025, the respondent should file his submission. By 23rd July 2025, a rejoinder should be submitted. And 9th September 2025, a Judgement will be read. It is not yet concluded.
6	Kabanyoro Christine	Civil Suit No. 47 of 2020.	Masindi High Court	The Claimant filed a suit against the company claiming general damages for unlawful termination and defamation.	No outflow is expected	The company filed a written statement of defence. Lawyer, PO Bugambe an Security Officer (Eric) attended court on 10th May 2023 Adjourned to 16th June for mention and decision on judgement day. Judgement date 17/1/2025. Judgement passed in MRUL favour with costs.
7	Kategaya James	Civil Suit No. 81 of 2021.	Fort Portal Chief Magistrate's Court	The Claimant filed a suit against the Company claiming compensation.	Amount cannot be estimated	The company filed a defence through Kaahwa, Kafuuzi, Bwiruka & Co. Advocates and the case is dismissed with cost but the Plaintiff disappeared. EM Kiko was informed to alert the Lawyer immediately the plaintiff is seen.



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

8	Departed Asians property Custodian Board and Chris Rugari Vs MRUL, Borelli Tea Holdings Limited MRIL & the Registrar of Titles	Civil Suit No. 825 of 2019		The first plaintiff alleges that it was unaware that through fraud it had been deprived of the land in dispute; LRV599 Folio 12 until it allocated it to the second plaintiff. The land is in the possession of Mcleod Russel. The Plaintiffs seek recovery of the land, reversal of all entries on the land valued at Uganda Shillings Four Billion five hundred fifteen thousand (UShs 4,515,000,000) cancellation of the entry of the first defendant as proprietor of the land and substitution thereof of the first plaintiff. The first claim is that he is allocatee of the land and as such is entitled to quiet and vacant possession, mesne profits and general damages.	300,000,000	The matter came up for mediation on 20th January 2020 but the mediator was not present. It was adjourned to 31st January 2020, but on that date the opposing counsel was not present. The court is to communicate the next available date for mediation. The matter has high chances of success because Mcleod Russel is the lawful owner of the property having purchased the land legally from the original owner. It is difficult to project the figure that Mcleod Russel would have to pay in the event that the matter is lost since the plaintiffs mainly seek restoration of the land. But the second plaintiff also seeks mesne profits (profits received by a party in wrongful possession and recoverable by the rightful owner), general damages, and the Defendant would also have to pay costs of the suits. Therefore, a rough estimate of the potential loss in the event of the suit is lost could be anywhere from UShs 50 million to 300 million.
9	Mwesige Christopher	KJJ – 00 – CV – CS – 51 of 2018	Kyenjojo Magistrate's Court	The above person sued the company claiming special and general damages for conversion of Greenleaf tea and loss occasioned.	Amount cannot be estimated	The company filed a defence, and Court is yet to determine whether the company is liable or not. Plaintiff lost interest in the case.
10	Mirimo Charles	Labour Dispute Claim No. 246 of 2018 Arising From Labour Dispute No. 091/201	Industrial Court	The Complainant filed a labour claim against the company and the Industrial Court awarded the claimant UShs. 52,691,667=. The Industrial Court made an award against the company on 5th day of June 2020.	52,691,667	The Company being dissatisfied with the award, a decision and orders of the Industrial Court filed a Notice of Appeal in the Industrial Court for an appeal to the Court of Appeal of Uganda against the whole award, decision and orders. Appeal taken over by Katende, Ssempebwa & Co Advocates.
	Total				531,372,011	

ii) Guarantees given on behalf of other companies to banks etc. and year-end utilisation: Not applicable



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**

Notes to Consolidated Financial Statements (Contd.)

iii) Bank Guarantees Outstanding: Not applicable

iv) Any other (please specify): The Company have been issued with few assessment orders from Uganda Revenue Authority (URA) at different times for past years amounting to US\$ 3,524,966,341. The Company have already filed an appeal/application against all of them and all those matters are still undergoing mediation/mentions/hearing.

Mcleod Russel Middle East DMCC

i) Claims not acknowledged as debts:

Not applicable

ii) Guarantees given on behalf of other companies to banks etc. and year-end utilisation:

Not applicable

iii) Bank Guarantees Outstanding:

Not applicable

iv) Any other (please specify): None

Mcleod Russel Africa Limited

i) Claims not acknowledged as debts: Nil

ii) Guarantees given on behalf of other companies to banks etc. and year-end utilisation:
Nil

iii) Bank Guarantees Outstanding: Nil

iv) Any other (please specify): Nil

41. Advances include:

Group

(a) Loan to director at year-end: Current Year Ended March-26 £Nil (Previous Year Ended March-25 £Nil)

(b) Maximum amount of loan to directors : (i) Nil Current Year Ended March-26 (Previous Year Ended March-25 £Nil)

42. Assets of the Company charged against Loan/Guarantee availed by Company companies (including subsidiaries):

Please specify, if any.

Group

None



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026
Notes to Consolidated Financial Statements (Contd.)

43. Capital Commitment & Advances:

Borelli Tea Holdings Limited
NIL

Mcleod Russel Uganda Limited

(a) Estimated Capital commitments on account of purchase orders / contracts: 2025 – Nil (2024 – US\$ 443,110,541/-).

(b) Advance against such capital commitments (Amount): 2025 Nil (2024 US\$ 209,500,862/-).

Mcleod Russel Middle East DMCC

(a) Estimated Capital commitments on account of purchase orders / contracts: 2025 Nil (2024 Nil)

(b) Advance against such capital commitments (Amount): 2025 Nil (2024 Nil)

Mcleod Russel Africa Limited
Nil

44. Revenue Expenditure on Research and Development:

Group
Not applicable

45. Related parties:

Borelli Tea Holdings Limited

(A) List of Related Parties

Key Management Personnel

A Khaitan
B J Ruck
S Knight
D Sen
P Bhar

- Relatives of Key Management Personnel with whom transactions took place during the year.
N/A



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

(B) Transactions / Balances with Key Management Personnel

		Remuneration for the period		Loan outstanding at year ended	
		Current Year	Previous Year	Current Year	Previous Year
		£Nil	£Nil	£Nil	£Nil

(C) i) Transactions with relatives of Key Management Personnel
N/A

ii) Balances with relatives of Key Management Personnel
N/A

(D) i) Transactions with Holding Co./Subsidiary
ii) Closing Balances with Holding Co./Subsidiary
(give nature-wise summary)

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel India Ltd	Loan balance B/F	Nil	Nil
	Loan Received by BTHL including foreign exchange adjustment	Nil	Nil
	Loan Repaid by BTHL including foreign exchange adjustment	Nil	Nil
	Loan balance C/F	Nil	Nil
	Interest Expenditure (Gross – before tax)	Nil	Nil
	Interest accrued but not paid at the yearend (Gross)	Nil	Nil



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

	Subscription received for Share capital & premium	Nil	Nil
	Royalty income (Gross-before tax)	Nil	Nil
	Royalty accrued but not received at the yearend (Gross)	Nil	Nil
	Guarantee Commission Income (Gross)	Nil	Nil
	Guarantee Commission Income accrued but not paid at the yearend (Gross)	Nil	Nil
	Dividend received (Gross)	Nil	Nil
	Dividend Paid by BTHL: Final Dividend	Nil	Nil
	Royalty Receivable w/off	Nil	Nil

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel Uganda Ltd	Loan Liability balance B/F	5,418,973	5,547,996
	Loan Received by BTHL including foreign exchange adjustment	Nil	Nil
	Loan Repaid by BTHL	Nil	Nil
	Foreign exchange adjustment	(123,158)	(129,023)
	Loan Liability balance C/F	5,295,815	5,418,973
	Interest Income (Gross – before tax)	Nil	Nil
	Interest accrued but not received at the yearend (Gross)	Nil	Nil
	Interest Expense (Gross – before tax)	363,863	380,289
	Interest accrued but not Paid at the yearend (Gross)	2,989,756	2,687,994
	Subscription received for Share capital & premium	Nil	Nil
	Royalty income (Gross-	Nil	Nil



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

	before tax)		
	License Fees	Nil	Nil
	Interest Paid	Nil	Nil
	Dividend Received (Gross)	Nil	Nil

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel Middle East	Loan Asset balance B/F	Nil	Nil
	Loan Given including foreign exchange adjustment	Nil	Nil
	Loan Refund received including foreign exchange adjustment	Nil	Nil
	Loan Asset balance C/F	Nil	Nil
	Interest Income (Gross – before tax)	Nil	Nil
	Interest accrued but not received at the yearend (Gross)	78,006	152,492
	Interest Received	Nil	Nil
	Other transactions	Nil	Nil

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel Africa Limited	Loan Asset balance B/F	1,046,512	1,071,428
	Loan Given including foreign exchange adjustment	Nil	Nil
	Loan Refund received	Nil	Nil
	Foreign exchange adjustment	(23,784)	(24,917)
	Loan Asset balance C/F	1,022,727	1,046,512
	Interest Income (Gross – before tax)	61,730	74,144
	Interest accrued but not received at the yearend (Gross)	£12,494.68	£22,069
	Other transactions	Nil	Nil



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026
Notes to Consolidated Financial Statements (Contd.)

46. Quantitative details of Tea

Borelli Tea Holdings Limited

Not applicable

Mcleod Russel Uganda Limited

		2025 (Kgs)	2024 (Kgs)
Opening Stock	(A)	2,368,598	2,729,002
Add: Production			
Gross production		15,337,513	15,735,444
Less: Unsaleable including Tea Waste		(35,186)	(33,888)
Saleable Production	(B)	15,302,327	15,701,556
Add: Purchases (Net of return)	(C)		
Less: Sales (Net of return)	(D)	15,000,546	16,061,960
Closing Stock (A+B+C+D)	(E)	2,670,379	2,368,598
Value of Opening Stock (UShs '000)	(F)	6,957,878	7,660,564
Average value of Opening stock (Amount/Kg) (F/A)	(G)	2.94	2.81
Value of Sales (UShs '000)	(H)	53,748,256	48,626,368
Average Selling price (Amount/Kg) (H/D)	(I)	3.58	3.03
Value of Closing Stock (UShs '000)	(J)	8,203,295	6,957,878
Average value of Closing stock (Amount /Kg) (J/E)	(K)	3.07	2.94

Mcleod Russel Middle East DMCC

		2025 (Kgs)	2024 (Kgs)
Opening Stock	(A)	95,949	119,377
Add: Production			
Gross production			
Less: Unsaleable including Tea Waste			
Saleable Production	(B)		
Add: Purchases (Net of return)	(C)	778,519	815,657
Less: Sales (Net of return)	(D)	798,615	839,085
Closing Stock (A+B+C+D)	(E)	75,854	95,949
Value of Opening Stock	(F)	212,811	263,966
Average value of Opening stock (Amount/Kg) (F/A)	(G)	2.21	2.21
Value of Sales	(H)	1,707,162	1,761,829
Average Selling price (Amount/Kg) (H/D)	(I)	2.14	2.10



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

Value of Closing Stock	(J)	157,143	212,811
Average value of Closing stock (Amount /Kg) (J/E)	(K)	2.07	2.22

McLeod Russel Africa Limited

		2025 (Kgs)	2024 (Kgs)
Opening Stock	(A)	240,588	229,114
Add: Production			
Gross production			
Less: Unsaleable including Tea Waste			
Saleable Production	(B)		
Add: Purchases (Net of return)	(C)	2,592,548	3,618,341
Less: Sales (Net of return)	(D)	2,645,830	3,606,867
Closing Stock (A+B+C+D)	(E)	187,306	240,588
Value of Opening Stock	(F)	39,516,375	36,187,429
Average value of Opening stock (Amount/Kg) (F/A)	(G)	164.25	157.94
Value of Sales	(H)	572,707,015	743,415,236
Average Selling price (Amount/Kg) (H/D)	(I)	216.46	206.11
Value of Closing Stock	(J)	41,498,882	39,516,375
Average value of Closing stock (Amount /Kg) (J/E)	(K)	221.56	164.25

47. Quantitative detail of Green Leaf Consumed



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

Borelli Tea Holdings Limited

Not applicable

McLeod Russel Uganda Limited

	2025	2024
Plucked from own Plantation (Quantity in Kg)	36,863,924	42,671,193
Purchased – Quantity (Kgs)	27,373,727	22,485,924
– Cost (US\$ '000)	10,113,878	5,500,527
Average Cost per Kg (US\$)	369	245

McLeod Russel Middle East DMCC

	2025	2024
Plucked from own Plantation (Quantity in Kg)	N/A	N/A
Purchased – Quantity (Kgs)	N/A	N/A
– Cost	N/A	N/A
Average Cost per Kg	N/A	N/A

McLeod Russel Africa Limited

	2025	2024
Plucked from own Plantation (Quantity in Kg)		
Purchased – Quantity (Kgs)		
– Cost		
Average Cost per Kg		

48. Derivative Instruments and Unhedged Foreign Currency Exposure:

Borelli Tea Holdings Limited

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31 st March 2026	31 st March 2025
			Amount in Foreign Currency	Amount in Foreign Currency
Forward Contracts	Hedging of foreign currency receivables	N/A	Nil	Nil
Currency swap for	Shifting repayment-obligation to another	N/A	Nil	Nil



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

loan-principal	currency			
Interest-rate swap	Hedging of floating interest-rate (Note-1)	US\$	Nil	Nil

b) Particulars of Unhedged Foreign Currency Exposures as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31 st March 2026	31 st March 2025
			Amount in Foreign Currency	Amount in Foreign Currency
Financial Assets:- MRIL Royalty income due from MRIL	Income receivable	Not applicable as invoice raised in GBP	Not applicable	Not applicable
Financial Assets:- PBTCL Loan due from PBTCL rd)	Intercompany loan	USD	Nil	Nil
Interest on loan due from PBTCL	Income receivable	USD	Nil	Nil
	Intercompany loan	USD	Nil	Nil
Financial Assets:- MRME Loan due from MRME	Intercompany loan	USD	Nil	Nil
Interest on loan due from MRME	Intercompany loan	USD	103,124	160,118
Financial Assets:- MRAL Loan due from MRAL	Intercompany Loan	USD	1,350,000	1,350,000
Financial Liabilities:- MRIL Loan due to MRIL	Intercompany Loan	InRs	Nil	Nil
Commission payable due to MRIL	Commission	InRs	Nil	Nil



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026
Notes to Consolidated Financial Statements (Contd.)

	payable			
Financial Liabilities:- MRUL Loan due to MRUL	Intercompany Loan	USD	6,990,476	6,990,476

In 2024 BTHL should have received the consideration from the sale pf PBT, however due to the fact that PBT shares were pledged by BTHL in favour of a company that provided loan to its parent company. BTHL did not receive anything and all the sale proceeds went to that Company. Similarly on sale of property in Rwanda BTHL made a gain of £131,579 which was received by MRIL. As MRIL still owed this money to BTHL we have recognised this amount as loan due from MRIL amounting to £1,904,682 (2025 -£1,773,103) as amount receivable and also provided full bad debt provision against it as MRIL is unable to pay it in the near future.

c) Mark to market Losses Provided for

Particulars	Purpose and Detail	31 st March 2026 (£)	31 st March 2025 (£)
		Amount	Amount
Loans		Nil	Nil
Total (See Internal Note Below)		Nil	Nil

McLeod Russel Uganda Limited

48. Derivative Instruments and Unhedged Foreign Currency Exposure:

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31 st December 2025	31 st December 2024
			Amount in USD	Amount in USD
Forward Contracts	Hedging of foreign currency receivables	USD	NIL	NIL
Currency swap for loan-principal	Shifting repayment- obligation to another currency	-do-	NIL	NIL
Interest-rate swap	Hedging of floating interest-rate	-do-	NIL	NIL
Any other (Specify)			NIL	NIL

b) Particulars of Unhedged Foreign Currency Exposures as at the reporting date:-



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

Particulars	Purpose	Name of Foreign Currency	31 st Dec 2025	31 st Dec 2024
			Amount in USD	Amount in USD
Financial Assets:-				
Investments				
Loans Given	BTHL, SLU	USD	13,907,472	13,313,955
Trade Receivables	Sales and other advances	USD	133,551	291,974
Cash & Bank Balances		USD	6,737	103,758
Others (Please Specify)				
Financial Liabilities:-				
Borrowings	Bank Overdraft & Term loan	USD	11,396,577	13,131,447
Trade Payable	Purchases and other services	USD	382,860	395,221
Others (Please Specify)				

c) Mark to market Losses Provided for

Particulars	Purpose and Detail	31 st December 2025	31 st December 2024
		Amount	Amount
		NIL	

McLeod Russel Middle East DMCC

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31 st December 2025	31 st December 2024
			Amount (USD)	Amount (USD)
Forward Contracts	Hedging of foreign currency receivables	Nil	Nil	Nil
Currency swap for loan-principal	Shifting repayment-obligation to another currency	Nil	Nil	Nil
Interest-rate swap	Hedging of floating interest-rate	Nil	Nil	Nil
Any other (Specify)		Nil	Nil	Nil

b) Particulars of Unhedged Foreign Currency Exposures as at the reporting date:-

		Name of	31 st Dec 2025	31 st Dec 2024
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**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

Particulars	Purpose	Foreign Currency	Amount (USD)	Amount (USD)
Financial Assets:- Investments Loans Given Trade Receivables Cash & Bank Balances Others (Please Specify)	Nil	Nil	Nil	Nil
Financial Liabilities:- Borrowings Trade Payable Others (Please Specify)	Nil	Nil	Nil	Nil

c) Mark to market Losses Provided for

Particulars	Purpose and Detail	31 st December 2025	31 st December 2024
		Amount (USD)	Amount (USD)
Nil	Nil	Nil	Nil

Mcleod Russel Africa Limited

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31st December 2025	31st December 2024
			Amount (Currency)	Amount (Currency)
Forward Contracts	Hedging of foreign currency receivables			
Currency swap for loan-principal	Shifting repayment-obligation to another currency			
Interest-rate swap	Hedging of floating interest-rate			
Any other (Specify)				

Particulars of Unhedged Foreign Currency Exposures as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31st Dec 2025	31st Dec 2024
			Amount (Currency)	Amount (Currency)
Financial Assets:- Investments				
Loans Given		USD	37,558	37,558



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

Trade Receivables		USD	965,960	912,492
Cash & Bank Balances		USD	85,077	132,102
Others (Please Specify)				
Financial Liabilities:-				
Borrowings	Loan	USD	1,367,169	1,369,182
Trade Payable	Purchase	USD	101,495	181,079
Others (Please Specify)				

Mark to market Losses Provided for

Particulars	Purpose and Detail	31st December 2025	31st December 2024
		Amount (Currency)	Amount (Currency)

49. Assets pledged /hypothecated/mortgaged as security

Borelli Tea Holdings Limited

Not applicable

Mcleod Russel Uganda Limited

Particulars	31 st December 2025	31 st December 2024
	Amount in UShs '000	Amount in UShs '000
<u>Current Assets:</u>		
Financial Assets		
Trade Receivables	316,413	1,429,520
Cash and Cash Equivalents	185,703	576,002
Loans	-	2,969,138
Current Tax Assets (Net)	6,666,464	6,666,464
Other Financial Assets (Interest accrued on advance)	35,589	1,891,863
Sub Total	7,204,169	10,563,849
Non-financial Assets		
Inventories	15,838,187	14,862,890
Biological Assets	463,381	321,498
Other Current Assets (Refer Note 14)	2,624,899	3,924,332



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

Sub Total	18,926,466	19,108,720
Total Current assets pledged as security (a)	26,130,636	29,672,569
Non-current Assets		
Property, Plant and Equipment	65,375,196	69,643,639
Capital Work-in-Progress	1,903,697	2,010,698
Other Non-Current Assets (Loans and accrued interest on the loans)	43,646,770	41,977,837
(b)	110,925,664	113,632,173
Total Assets pledged as security (a+b)	137,056,299	143,304,743

Mcleod Russel Middle East DMCC
Not applicable

Mcleod Russel Africa Limited
Not applicable

50. Contractual obligation of payment of Principal and Interest on Long-term borrowings:-

Borelli Tea Holdings Limited
Not applicable

Mcleod Russel Uganda Limited

	Amount In US\$'000				
	Upto 1 year	Between 1 & 2 years	Between 2 & 5 years	Beyond 5 years	Total Amount
Instalments of Loans	7,388,077	6,939,259	15,523,061	11,967,383	41,817,779
Interest	3,621,756	2,941,207	5,076,137	5,116,060	16,755,160

Mcleod Russel Middle East DMCC

	Amount In (Currency)				
	Upto 1 year	Between 1 & 2 years	Between 2 & 5 years	Beyond 5 years	Total Amount
Instalments of Loans	Nil	Nil	Nil	Nil	Nil
Interest	159,618	Nil	Nil	Nil	159,618

Mcleod Russel Africa Limited

	Amount In (Currency)				
	Upto 1 year	Between 1 & 2 years	Between 2 & 5 years	Beyond 5 years	Total Amount
Instalments of Loans					
Interest					

51. Borrowings at Floating Interest-rate:



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

Borelli Tea Holdings Limited

Not applicable

Mcleod Russel Uganda Limited

	Description of the Floating Interest Rate	Amount of Borrowings at Floating Interest Rate	
		31 st December 2025	31 st December 2024
		Amount in US\$ '000	Amount in US\$ '000
Long-term borrowings			
Absa (Former Barclays Bank)	3 months SOFR plus a base rate of 4.8%	24,123,985	30,576,015
Short-term borrowings (Overdraft)			
Absa (Former Barclays Bank)	3 months SOFR plus a base rate 4.80%	10,430,106	10,901,067
Stanbic Bank (U) Limited	8.50%	6,698,444	6,718,877

Mcleod Russel Middle East DMCC

	Description of the Floating Interest Rate	Amount of Borrowings at Floating Interest Rate	
		31 st December 2025	31 st December 2024
		Amount (Currency)	Amount (Currency)
Long-term borrowings	N/A	Nil	Nil
Short-term borrowings (Overdraft)	N/A	Nil	Nil
Interest accrued on loan from parent company	N/A	159,618	203,718

Mcleod Russel Africa Limited

	Description of the Floating Interest Rate	Amount of Borrowings at Floating Interest Rate	
		31 st December 2025	31 st December 2024
		Amount (USD)	Amount (USD)
Long-term borrowings	SOFR +2%	1,350,000	1,350,000
Short-term borrowings (Overdraft)			



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026
Notes to Consolidated Financial Statements (Contd.)

52. Maturity Analysis of Financial Liabilities:-

Borelli Tea Holdings Limited

Not applicable

Mcleod Russel Uganda Limited

	Amount in US\$ '000				
	On Demand	Less than 6 mth	6 to 12 mth	> 1 Year	Total Amount
Trade Payable		3,970,318			3,970,318
Finance Lease Obligations					-
Other Financial Liabilities		7,569,421			7,569,421

Mcleod Russel Middle East DMCC

On Current Balance Sheet Date

	On Demand	Less than 6 mths	6 to 12 mths	> 1 Year	Total Amount
Trade Payable	Nil	247,342	-	-	247,342
Finance Lease Obligations	Nil	Nil	Nil	Nil	Nil
Other Financial Liabilities	Nil	41,150	Nil	Nil	41,150

On Last Balance Sheet Date

	On Demand	Less than 6 mths	6 to 12 mths	> 1 Year	Total Amount
Trade Payable	Nil	203,822	Nil	Nil	203,822
Finance Lease Obligations	Nil	Nil	Nil	Nil	Nil
Other Financial Liabilities	Nil	30,265	Nil	Nil	30,265



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

McLeod Russel Africa Limited

On Current Balance Sheet Date

On Current Balance Sheet Date

	On Demand	Less than 6 mths	6 to 12 mths	> 1 Year	Total Amount
Trade Payable		15,237,525			15,237,525
Finance Lease Obligations					
Other Financial Liabilities				176,547,446	176,547,446

On Last Balance Sheet Date

	On Demand	Less than 6 mths	6 to 12 mths	> 1 Year	Total Amount
Trade Payable		19,880,845			19,880,845
Finance Lease Obligations					
Other Financial Liabilities				177,025,083	177,025,083

53. Accounting classification of each category of financial instrument, their carrying amount and fair value

Borelli Tea Holdings Limited

Particulars	Fair Value through Profit and Loss Account (£)	Fair Value through Other Comprehensive Income (£)	Financial Assets-At amortised cost (£)	Fair Valuation Hierarchy (£)
Loans Receivable			1,022,727	
Other Financial Assets			£5,680	
Trade Receivables			Nil	
Cash and Cash Equivalents			56,983	
Borrowings			5,295,815	
Trade Payables			Nil	
Other Financial			3,740,125	



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**
Notes to Consolidated Financial Statements (Contd.)

Liabilities				

Mcleod Russel Uganda Limited

Amount in US\$ '000

Particulars	Fair Value through Profit and Loss Statement	Fair Value through Other Comprehensive Income	Financial Assets-At amortised cost	Fair Valuation Hierarchy
Investments				
Loans			30,505,181	
Other Financial Assets			19,871,700	
Trade Receivables			439,814	
Cash and Cash Equivalents			185,703	
Borrowings			58,946,334	
Trade Payables			4,092,499	
Other Financial Liabilities			8,012,529	

Mcleod Russel Middle East DMCC

Amount (USD)

Particulars	Fair Value through Profit and Loss Account	Fair Value through Other Comprehensive Income	Financial Assets-At amortised cost	Fair Valuation Hierarchy
Investments	Nil	Nil	Nil	N/A
Loans	Nil	Nil	Nil	N/A
Other Financial Assets	Nil	Nil	29,920	Level 3
Trade Receivables	Nil	Nil	467,492	Level 3
Cash and Cash Equivalents	Nil	Nil	39,100	Level 1
Borrowings	Nil	Nil	159,618	Level 3
Trade Payables	Nil	Nil	247,342	Level 3
Other Financial Liabilities	Nil	Nil	41,150	Level 3

Mcleod Russel Africa Limited

Amount (Currency)

Particulars	Fair Value through Profit and Loss Account	Fair Value through Other Comprehensive Income	Financial Assets-At amortised cost	Fair Valuation Hierarchy
Investments				
Loans			5,057,602	
Other Financial Assets			16,752,901	
Trade Receivables			119,226,236	
Cash and Cash Equivalents			11,402,544	



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

Borrowings			176,547,446	
Trade Payables			15,237,525	
Other Financial Liabilities			3,914,115	

54. Significant events/transactions taken place between the date of financial year end of subsidiaries (31st December 2024) and the date of financial year end of holding company Borelli (31st March, 2025)

Borelli Tea Holdings Limited

None event noted.

McLeod Russel Uganda Limited

There are no significant events that have occurred subsequent to the year end and till the date of reporting.

McLeod Russel Middle East DMCC

There are no significant events that have occurred subsequently after the year end and till the date of reporting.

McLeod Russel Africa Limited

None event noted.

55. Lease Disclosure:

Borelli Tea Holdings Limited

Not applicable

McLeod Russel Uganda Limited

Lease commitments for leases: Leases are paid in advance.

At the Balance Sheet date, the following are outstanding commitments:-

	31st Dec 2025 Amount in US\$ '000	31st Dec 2024 Amount in US\$ '000
The future minimum lease commitment of the Company is as under:		
Up to one year	NIL	NIL
More than one year and up to five years	NIL	NIL
More than five years	NIL	NIL
TOTAL	NIL	NIL

- a) Depreciation charge on "Right-to-Use Assets" (i.e. leases) : NIL
b) Interest expense on lease (included in Finance costs – Note 33) : NIL



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

- c) Expense relating to short-term leases not accounted for as lease. This expense need not include the expense relating to those leases whose term is up to one month.: Not Applicable
- d) Expense relating to leases of low-value assets not accounted for as lease. : Not Applicable
- e) Expense relating to variable lease payments not included in the measurement of lease liabilities: Not Applicable
- f) income from sub-leasing right-of-use assets NIL
- g) Total cash outflow for leases: NIL
- h) Additions to "Right-to-Use Assets" : NIL
- i) Carrying amount of "Right-to-Use Assets" at the end of the reporting period, by class of underlying asset US\$ 5,194,221,000

Mcleod Russel Middle East DMCC

Lease commitments for leases:. Leases are paid in advance.

At the Balance Sheet date, the following are outstanding commitments:-

	31 st Dec 2025 Amount (Currency)	31 st Dec 2024 Amount (Currency)
The future minimum lease commitment of the Group is as under :		
Up to one year	Nil	Nil
More than one year and up to five years	Nil	Nil
More than five years	Nil	Nil
TOTAL	Nil	Nil

- a) Depreciation charge on "Right-to-Use Assets" (i.e. leases) : N/A
- b) Interest expense on lease (included in Finance costs – Note ...) : N/A
- c) Expense relating to short-term leases not accounted for as lease. This expense need not include the expense relating to those leases whose term is up to one month.: US\$ 11,519
- d) Expense relating to leases of low-value assets not accounted for as lease. : N/A
- e) Expense relating to variable lease payments not included in the measurement of lease liabilities: N/A
- f) income from sub-leasing right-of-use assets : N/A
- g) Total cash outflow for leases: 11,837 US\$
- h) Additions to "Right-to-Use Assets" : N/A
- i) Carrying amount of "Right-to-Use Assets" at the end of the reporting period, by class of underlying asset : N/A

Mcleod Russel Africa Limited

Lease commitments for leases:. Leases are paid in advance.

At the Balance Sheet date, the following are outstanding commitments:-

	31 st Dec 2025 Amount (KSHs)	31 st Dec 2024 Amount (Kshs)
The future minimum lease commitment of the Group is as under :		
Up to one year	385,320	385,320
More than one year and up to five years		



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

More than five years
TOTAL

- a) Depreciation charge on "Right-to-Use Assets" (i.e. leases) : Nil IFRS for SMe
- b) Interest expense on lease (included in Finance costs – Note ...) : Nil IFRS for SMe
- c) Expense relating to short-term leases not accounted for as lease. This expense need not include the expense relating to those leases whose term is up to one month.: Nil
- d) Expense relating to leases of low-value assets not accounted for as lease. Nil
- e) Expense relating to variable lease payments not included in the measurement of lease liabilities:
- f) income from sub-leasing right-of-use assets Nil IFRS for SMe
- g) Total cash outflow for leases: Nil IFRS for SMe
- h) Additions to "Right-to-Use Assets" : Nil IFRS for SMe
- i) Carrying amount of "Right-to-Use Assets" at the end of the reporting period, by class of underlying asset : Nil IFRS for SMe

56. Movement of Impairment Allowances
Borelli Tea Holdings Limited

Not applicable

Mcleod Russel Uganda Limited

Particulars	Amount in US\$ '000			
	Allowance against Interest Receivable	Allowance against doubtful advances	Allowance Against Receivable	Allowance against doubtful Advance to Suppliers, Service Providers et
Balance at the beginning of the year	2,449,982	2,637,089	-	176,48
Recognised during the year	343,376	1,264,075	123,401	12,0'
Reversal during the Year	-	-	-	-
Balance at the end of the year	2,793,358	3,901,164	123,401	188,5'

Mcleod Russel Middle East DMCC

Particulars	Allowance against Interest Receivable	Allowance against doubtful advances	Allowance against doubtful Advance to Suppliers, Service Providers e
Balance at the beginning of the year	Nil	16,734	Nil



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**

Notes to Consolidated Financial Statements (Contd.)

Recognised during the year	Nil	33,468	Nil
Reversal during the Year	Nil	-	Nil
Balance at the end of the year	Nil	50,202	Nil

McLeod Russel Africa Limited

Particulars	Allowance against Interest Receivable	Allowance against doubtful advances	Allowance against doubtful Advances Suppliers, Service Providers
Balance at the beginning of the year		970,637	
Recognised during the year		2,063,924	9,857,204
Reversal during the Year			
Balance at the end of the year		3,034,561	9,857,204

57. Changes in Fair Value of Biological Assets Other Than Bearer Plants:

Borelli Tea Holdings Limited

Not applicable

McLeod Russel Uganda Limited

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Opening	321,498	349,203
Increase due to harvest/ physical changes		
Decrease due to harvest/ physical changes	141,883	27,705
Closing	463,381	321,498

McLeod Russel Middle East DMCC



**BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026**

Notes to Consolidated Financial Statements (Contd.)

Not applicable

Mcleod Russel Africa Limited

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Opening		
Increase due to harvest/ physical changes		
Decrease due to harvest/ physical changes		
Closing		

58. Currency:

Borelli Tea Holdings Limited

All amounts mentioned in above notes are in home-currency (i.e. GBP Sterling), unless stated in specific foreign-currency.

Mcleod Russel Uganda Limited

All amounts mentioned in above notes are in home-currency (i.e Uganda Shillings), unless stated in specific foreign-currency.

Mcleod Russel Africa Limited

All amounts mentioned in above notes are in Kenya shillings (kshs), unless stated in specific foreign-currency.

Mcleod Russel Middle East DMCC

All amounts mentioned in above notes are in US Dollars.



BORELLI TEA HOLDINGS LIMITED CONSOLIDATED ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2026

Notes to Consolidated Financial Statements (Contd.)

59. Previous Year's figures:

Borelli Tea Holdings Limited

Not applicable

Mcleod Russel Uganda Limited

Previous year's figures have been rearranged/regrouped wherever necessary.

Mcleod Russel Africa Limited

Previous year's figures have been rearranged/regrouped wherever necessary. N/A

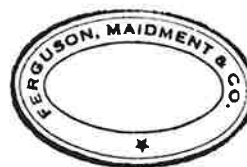
Mcleod Russel Middle East DMCC

Previous year's figures have been rearranged/regrouped wherever necessary.

Director

26/05/26

26/05/26



BORELLI TEA HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2026

	Note	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	13,276,851	15,203,163
Capital Work-in-Progress	2A	386,538	425,095
Goodwill on Consolidation	3	2,681,316	2,681,316
Other Intangible Assets	4	-	58,201
Financial Assets			
Investments	5	1	1
Loans	6	264,038	557,525
Other Financial Assets	7	(0)	0
Other Non-current Assets	8	-	-
Current Assets			
Inventories	9	3,694,714	3,624,737
Biological Assets other than bearer plants	10	94,088	67,970
Financial Assets			
Loans	6	11,831	-
Other Financial Assets	7	7,226	19,230
Trade Receivables	11	935,707	1,186,092
Cash and Cash Equivalents	12	190,992	321,367
Current Tax Assets (Net)	13	1,366,885	1,452,241
Other Current Assets	14	671,857	966,891
TOTAL ASSETS		23,582,042	26,563,829
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	252,000	252,000
Other Equity	16	5,678,070	7,179,481
Minority Interest		-	-
Non-current Liabilities			
Financial Liabilities			
Borrowings	18	7,003,908	8,795,880
Lease Liabilities		-	-
Other Financial Liabilities	19	-	-
Provisions:		-	-
Provision for post- retirement employee benefits	20	595,593	613,489
Other Provisions	21	-	-
Deferred Tax Liabilities (Net)	22	(81,942)	69,254
Other Non-current Liabilities	23	-	-
Current Liabilities			
Financial Liabilities			
Borrowings	24	4,977,995	5,170,814
Trade Payables	25	930,223	742,459
Lease Liabilities		-	-
Other Financial Liabilities	19	1,700,036	1,581,517
Provisions:			
Provision for post- retirement employee benefits	20	18,431	8,709
Other Provisions	21	-	-
Current Tax Liabilities (Net)	26	-	-
Other Current Liabilities	27	2,507,728	2,150,229
TOTAL EQUITY & LIABILITIES		23,582,042	26,563,829

Rerguson Maidment & Co

Auditor

26/05/26

Notes



Director

1. The financial statements and accompanying notes of the subsidiaries used in the consolidation are presented in GBP by using the following and as at 31-03-26 exchange rates: GBP 1 = UGX 4925, GBP 1 = US\$1.32, GBP 1 = KSH 171 as at 31-03-25 exchange rates: GBP 1 = UGX 4,730, GBP 1 = US\$1.29, GBP 1 = KSH 167

BORELLI TEA HOLDINGS LIMITED**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026**

	Note	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
Revenue from Operations	28	15,194,750	15,133,136
Other Income	29	430,747	261,214
Total Revenue		15,625,497	15,394,350
Expenses:			
Cost of Green Leaf Purchased	30A	2,113,663	1,145,943
Decrease/ (Increase) in Stock of Green Leaf	30	-	-
Purchase of Tea	30B	3,071,089	3,693,046
Changes in Inventories of Finished Goods	31	(154,771)	126,287
Employee Benefits Expense	32	3,710,152	3,910,574
Finance Costs	33	1,448,934	1,372,035
Depreciation and Amortisation Expense	34	1,051,819	1,010,323
Other Expenses	35	5,405,391	6,660,202
Total Expenses		16,646,279	17,918,409
Profit / (Loss) before Exceptional Items and Tax		(1,020,781)	(2,524,059)
Exceptional Item	35B	-	-
Profit / (Loss) before Tax and Minority Interest		(1,020,781)	(2,524,059)
Tax expense:			
Current Tax		279,967	72,038
Tax on exceptional items		-	-
Deferred Tax-Charge/(Credit)		(95,818)	(717,418)
Total Tax Expense	36 (a&b)	184,149	(645,379)
Profit/ (Loss) after Taxation but before Minority Interest		(1,204,930)	(1,878,679)
Other Comprehensive Income (net of tax)	37	(121,992)	73,443
Total Comprehensive Income for the period		(1,326,922)	(1,805,236)
Minority Interest		-	-
Profit (Loss) for the Year		(1,326,922)	(1,805,236)

Auditor

Notes

Director



1. The financial statements and accompanying notes of the subsidiaries used in the consolidation are presented in GBP by using the following average 31-12-25 exchange rates: GBP 1 = UGX 4,785, GBP 1 = US\$1.34, GBP 1 = KSH172 and average 31-12-24 exchange rates: GBP 1 = UGX 4,800, GBP 1 = US\$1.28, GBP 1 = KSH172

Consolidated Borelli
SEGMENT INFORMATION (this statement will be prepared by Borelli only)

	<u>Year ended 31st</u> <u>March 2026</u> GBP	<u>Year ended 31st</u> <u>March 2025</u> GBP
1) Segment Revenue from Operations :		
United Kingdom	-	-
Uganda	11,131,118	10,037,644
Dubai	1,274,001	1,376,429
Kenya	2,789,630	3,719,063
Total	<u>15,194,750</u>	<u>15,133,136</u>
2) Segment Profit before Tax :		
United Kingdom	(650,328)	(321,660)
Uganda	(401,911)	(2,603,013)
Dubai	11,511	91,109
Kenya	19,947	309,504
Total	<u>(1,020,781)</u>	<u>(2,524,059)</u>
3) Capital Expenditure related to Segments :		
A) Total Capital expenditure:		
Additions to Property, Plant and Equipment	99,461	115,857
Additions to Intangible assets	-	-
	<u>99,461</u>	<u>115,857</u>
Capital-work-in-progress on closing date	386,538	425,095
	<u>485,998</u>	<u>540,951</u>
less: Capital-work-in-progress on opening date	425,095	536,407
	<u>60,903</u>	<u>4,544</u>
B) Segment-wise Capital-expenditure:		
United Kingdom	-	-
Uganda	59,534	4,544
Dubai	-	-
Kenya	1,369	-
Total	<u>60,903</u>	<u>4,544</u>
4) Depreciation and Amortisation relating to Segments		
United Kingdom	58,205	58,218
Uganda	993,009	951,345
Dubai	-	154
Kenya	605	605
Total	<u>1,051,819</u>	<u>1,010,323</u>
	<u>As on 31st March</u> <u>2026</u> <u>GBP</u>	<u>As on 31st</u> <u>March 2025</u> <u>GBP</u>
5) Segment Assets		
United Kingdom	2,756,547	2,885,545
Uganda	19,228,943	21,979,704
Dubai	1,154,812	609,505
Kenya	441,740	1,089,075
Total	<u>23,582,042</u>	<u>26,563,829</u>
6) Segment Liabilities (excluding Equity)		
United Kingdom	868,378	772,417
Uganda	16,685,636	18,246,962
Dubai	67,902	44,301
Kenya	30,056	68,669
Total	<u>17,651,972</u>	<u>19,132,349</u>



BORELLI TEA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026

		Year Ended 31st March 2026	Year Ended 31st March 2025
		GBP	GBP
A. Cash flow from operating activities :			
	Profit before income tax	(1,020,781)	(2,524,058)
	Adjustments for :		
	Depreciation and Amortisation Expense	1,031,819	1,010,323
	(Profit) / Loss on disposal of Property, Plant and Equipment	69,332	(256,244)
	Write off of Fixed Assets	-	3,032
	Amortisation of Government Grants - Capital Subsidy	-	-
	Profit on sale of investments	-	-
	Provision for doubtful advances/ receivables etc	28,312	775,236
	Changes in Fair Value of Biological Assets	(29,652)	5,772
	Dividend Income classified as investing cash flows	-	-
	Interest Income classified as investing cash flows	-	-
	Finance Costs	1,402,712	1,134,842
	Fair Value Gain on Derivatives	-	-
	Provision for Fair Value losses on derivatives	-	-
	Liabilities no longer required written back	-	-
	Provision for bad and doubtful no longer required written back	-	-
	Remeasurement of post-employment defined benefit obligations	(169,318)	(259,616)
	Adjustment for Income from shares in group undertakings	-	-
	Gain on financial assets at fair value through P&L account	-	-
	Provision for inventory devaluation	-	-
	Exchange-difference on translation of balances denominated in foreign currency	1,847	(99,019)
	Exchange-difference on translation of foreign currency of subsidiaries and on consolidation (At BTHL Consolidation)	(48,948)	(1,186)
	Any other adjustments (please specify)	-	-
	Change in operating assets and liabilities:		
	Changes in Inventories	(205,529)	1,060,701
	Changes in Financial Assets (other than Loans given)	459,499	(748,283)
	Changes in Trade Receivables	192,688	135,036
	Changes in "Other Current Assets"	227,414	(247,526)
	Changes in "Other Non-Current Assets"	10,874	-
	Changes in Trade Payables	237,461	(555,935)
	Changes in Financial Liabilities (other than Borrowings)	(10,982)	(18,158)
	Changes in Employee Benefit Obligations	10,927	(2,508)
	Changes in Other Current Liabilities	708,499	1,010,338
	Changes in Minority Interest	-	-
	Any other changes in operating assets & liabilities (please specify)	-	-
	Cash inflow/(outflow) from operating activities	2,916,174	733,618
	Income taxes paid (Net of Refunds)	(254,608)	(311,569)
	Net cash inflow/(outflow) from operating activities	2,661,566	422,049
B. Cash flows from investing activities:			
	Payments for Property, Plant and Equipment	(77,715)	11,899
	Payments for Intangible Fixed Assets (Trademark, Computer software)	-	-
	Increase / (decrease) in Loans to Related parties	67,085	22,064
	Increase / (decrease) in Inter-corporate Loans	-	-
	Increase / (decrease) in Loans to others	(529,703)	598,144
	Receipts of Government Grants - Capital Subsidy	-	-
	Proceeds from sale of Long Term Investments	-	-
	Proceeds from sale of Property, Plant and Equipment	407,891	(952)
	Purchase of investments in subsidiaries	-	-
	Repayment of loans by Employees and Related party	-	-
	Dividends Received	-	-
	Interest Received	-	-
	Any other inflow/outflow for investing activities (please specify)	-	-
	Net cash inflow/(outflow) from investing activities	(123,462)	631,156
C. Cash flows from financing activities :			
	Proceeds from Long Term Borrowings	-	2,021,507
	Repayment of Long Term Borrowings	(1,468,282)	(129,023)
	Proceeds from Short Term Borrowings	23,784	24,219
	Repayment of Short Term Borrowings	-	(6,034,380)
	Payment of Lease-liabilities	-	-
	Interest paid	(1,116,121)	(965,779)
	Dividends paid	-	(6,955)
	Purchase of own shares	-	-
	Any other inflow/outflow for financing activities (please specify)	-	-
	Net cash inflow/ (outflow) from financing activities	(2,560,620)	(5,090,412)
	Net increase (decrease) in Cash and Cash Equivalents	(22,516)	(3,937,207)
	Reconciliation :		
	Cash and Cash Equivalents at beginning of the year (Note-12)	(3,403,780)	271,371
	Effect of exchange rate changes on opening Cash & Cash Equivalents	-	-
	Effect of exchange rate changes on opening Cash & Cash Equivalents (on Consolidation)	139,407	5,311
	(A)	(3,264,373)	276,682
	Cash and Cash Equivalents at end of the year (Note-12)	(3,286,887)	(3,403,780)
	Net increase (decrease)	(22,514)	(3,680,462)
	(B-A)		

Change in Group's liabilities arising from financing activities:	As at March 31, 2025	Cash flows	Non-Cash Flows	As at March 31, 2026
Non-current borrowings	8,293,880	(1,468,282)	(323,689)	7,001,908
Current maturities of long term debt	-	-	-	-
Short Term borrowings	5,170,814	-	(192,818)	4,977,995
Lease-Liabilities	-	-	-	-
Interest accrued and due on borrowings (Note 19)	74,826	-	(1,700)	73,126
Interest accrued but not due on borrowings (Note 19)	1,401,575	-	135,361	1,536,936

Note: Includes cash flows on account of both principal and interest.

Auditor

Regusson Maidment
20/05/26



Director

BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

2. Property Plant and Equipment		GROSS BLOCK AT COST OR VALUATION						DEPRECIATION					NET BLOCK	
ASSETS	As at Last Balance Sheet date	Retranslation of Opening Balance at Year End Rate	Additions during the year	Adjustment During the year (Revaluation)	Disposal during the year	As At the Current Balance Sheet Date	As at Last Balance Sheet date	Retranslation of Opening Balance at Year End Rate	For the year	On Disposal During the year	FX Diff AV. Rate & YE. Rate	As At the Current Balance Sheet Date	Written Down Value As at the Current Balance Sheet Date	Written Down Value As at the Last Balance Sheet Date
ROU-Leasehold Land	1,098,144	(43,480)				1,054,664						1,054,664	1,098,144	
Tea Plantations (Bearer Plants)	7,783,268	(308,170)	35,771			7,510,869	2,916,387	(115,471)	230,012		(6,538)	3,024,389	4,866,881	
Buildings	6,362,876	(233,030)	2,729		(477,469)	5,655,106	2,077,302	(82,248)	114,685	(104)	(3,260)	2,106,374	3,548,732	4,285,574
ROU - Leasehold Buildings														
Plant and Equipments	15,392,801	(609,461)	55,568		(6,459)	14,832,449	10,462,911	(414,268)	636,637	(6,459)	(18,097)	10,660,724	4,171,725	4,929,890
Computer	51,908	(2,004)	4258			54,161	48,192	(1,859)	2,746		(69)	49,010	5,151	3,716
Motor and Other Vehicles	508,003	(20,114)			(10,873)	477,016	502,964	(19,914)	2,700	(10,873)	(77)	474,801	2,215	5,038
Furniture and Fixtures	40,940	(1,388)				39,552	38,378	(1,286)	955		(27)	38,020	1,533	2,562
Office Equipment	104,912	(3,994)	1,135			102,052	93,552	(3,574)	5,880		(156)	95,702	6,351	11,357
Total Current Balance as on 31st March 2026	31,342,851	(1,221,641)	99,461		(494,801)	29,725,870	16,139,686	(638,621)	993,614	(17,436)	(28,224)	16,449,019	13,276,851	15,203,163
Total Current Balance as on 31st March 2025	30,288,802	920,739	115,857		(239,290)	31,342,851	14,954,160	457,506	952,104	(238,180)	14,098	16,139,688	15,203,163	15,334,642



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Year Ended 31st March 2026	Year Ended 31st March 2025
GBP	GBP

Note 2A : Particulars of Capital Work in Progress:

Aging of 'Capital Work in Progress' :

(i) Projects in progress :		
Less than 1 year	239,400	274,558
1 year to 2 years		
2 years to 3 years	17,462	
More than 3 years	129,676	150,537
Sub-Total (i)	<u>386,538</u>	<u>425,095</u>
(ii) Projects temporarily suspended :		
Less than 1 year		
1 year to 2 years		
2 years to 3 years		
More than 3 years		
Sub-Total (ii)		
<i>Note: Please write particulars (with amount) of each such project.</i>		
Total [(i) + (ii)] : Should agree with CWIP in Balance Sheet	<u>386,538</u>	<u>425,095</u>

Detail of those projects whose completion is overdue or exceeded its cost as compared to original plan :
Particulars of each such project should be given separately, as under :

To be completed in :

Next Less than 1 year
Next 1 year to 2 years
Next 2 years to 3 years
Next More than 3 years

Current Balance Sheet Date	Last Balance Sheet Date
0	0
0	0
0	0
0	0
0	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Note 3: Goodwill

Particular	GROSS BLOCK AT COST OR VALUATION					AMORTISATION/IMPAIRMENT					NET BLOCK			
	As at Last Balance Sheet date	Added/(Disposed) on Consolidation	Additions during the year	Disposal during the year	Adjustment During the year	As at Current Balance Sheet date	As at Last Balance Sheet date	Added/(Dis posed) on Consolidati on	For the year	On Disposal During the year	Adjustment During the year	As at Current Balance Sheet Date	Written Down Value As at the Current Balance Sheet Date	Written Down Value As at the Last Balance Sheet Date
Goodwill		-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill on Consolidation														
MRUL	2,678,602					2,678,602	-	-	-			2,678,602	2,678,602	
MRME	2,492					2,492	-	-	-			2,492	2,492	
MRAL	222					222	-	-	-			222	222	
Total Current Balance as on 31st March 2026	2,681,316	-	-	-	-	2,681,316	-	-	-			2,681,316	2,681,316	
Total Current Balance as on 31st March 2025	2,681,316	-	-	-	-	2,681,316	-	-	-			2,681,316	2,681,316	



BORELLITEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Note 4: Other Intangible Assets

NOTE 4: OTHER INTANGIBLE ASSETS																	
GROSS BLOCK AT COST OR VALUATION																	
AMORTISATION																	
NET BLOCK																	
	As at Last Balance Sheet date	Retranslation of Opening Balance at Year End Rate	Added on Consolidation	Additions during the year	Disposal during the year	Adjustment During the year	As at Current Balance Sheet date	As at Last Balance Sheet date	Retranslation of Opening Balance at Year End Rate	Added on Consolidation	For the year	On Disposal During the year	Adjustment During the year	FX Diff AV. Rate & Yr. Rate	As at Current Balance Sheet Date	Written Down Value As at the Current Balance Sheet Date	Written Down Value As at the Current Balance Sheet Date
Patent and Trade Marks	1,164,350			-			1,164,350	1,106,145			58,205				1,164,350	-	58,201
Computer Software	36,445	(1,443)					35,002	36,445	(1,443)						35,002	-	-
Total Current Balance as on 31st March 2026	1,200,795	(1,443)	-	-	-	-	1,199,352	1,142,590	(1,443)	-	58,205	-	-	-	1,199,352	-	58,201
Total Current Balance as on 31st March 2025	1,200,854	(59)	-	-	-	-	1,200,795	1,084,435	(59)	-	58,218	-	-	-	1,142,594	58,201	174,637



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

5 Non -Current Investments

Long Term

Year Ended 31st March 2026	Year Ended 31st March 2025
GBP	GBP

Investments in Equity Instruments - Subsidiaries		
Unquoted		
Investment in MRUL	-	-
Investment in MR Middle East LLC	-	-
Investment in MR Africa Limited	-	-
Investments in Equity Instruments - Trade		
Quoted		
Unquoted		
Investments in Equity Instruments - Other than trade		
Quoted		
Unquoted		
Babcock Borsig Limited		
1,299,600 shares of face value INR 10 each	828,598	828,598
Investments in Government or trust securities		
Quoted		
Unquoted		
Less: Provision for diminution in value of Babcock Borsig Shares	(828,597)	(828,597)
	1	1



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

		Year Ended 31st March 2026		Year Ended 31st March 2025	
		GBP		GBP	
6	Loans	Current	Non-Current	Current	Non-Current
	Loans to Related Parties				
	- Subsidiary				
	BTHL: Loan to MR Africa Limited (US\$ Loan) (Post Dec-25)		0		-
	MRUL: Loan to BTHL (US\$6,990,474)		(0)		0
	Loans to Employees				
	MRUL: Considered Good;	-	-	-	-
	Considered Doubtful:				
	Loans to Others				
	Considered Good;				
	MRAL: Loan receivable Knovic PTE	29,577			
	Less: Provision for bad and Doubtful Loans	(17,746)			
	MRUL: Unsecured Considered Good; (Amount given to SLU Holding to assist in corporate group restructuring requirements- US\$1,473,000)		1,056,153		1,115,048
	Less: Provision for bad and Doubtful Loans		(792,115)		(557,524.10)
	Misc				
	Considered Doubtful:				
	Less: Provision for bad and Doubtful Loans				
		11,831	264,038	-	557,525



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Year Ended 31st March 2026 GBP		Year Ended 31st March 2025 GBP	
	Current	Non-Current	Current	Non-Current
7 Other Financial Assets				
Security Deposits:				
Considered Good				
Considered Doubtful				
Less: Provision for doubtful security-deposits				
Margin Money Deposit with bank				
Other Long Term Receivable (Specify)				
MRUL: Other loans and advances	7,226		19,230	-
Interest Accrued on Loans and Deposits				
Considered good;				
MRUL : Interest receivable from BTHL		(0)	0	0
Considered Doubtful				
MRUL - SLU Holding	95,871	471,308	81,063	436,904
Less: Provision for Doubtful Interest Receivable	(95,871)	(471,308)	(81,063)	(436,904)
Security Deposits;				
Considered good				
Considered doubtful				
Less : Provision for Doubtful Security Deposits				
Subsidies/Benefits receivable from Government				
Compensation receivable from Government				
Advance to Employees				
Claim Receivable				
Receivable from MRIL	1,904,682		1,773,103.00	
Bad debt provision against the amount receivable	(1,904,682)		(1,773,103.00)	
Deposit with Government Authorities				
Other financial assets				
	7,226	(0)	19,230	0



	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
8 Other Non-Current Assets		
Advances For Capital Expenditure		
Unsecured considered Good;		
Prepaid Expenses		
Advances to Suppliers, Service Providers etc.		
Considered good		
Considered doubtful		
MRUL Advances to Suppliers, Service Providers etc.	-	
MRUL Less: Provision	-	
	-	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
9 INVENTORIES		
At lower of cost and net realisable value		
Stores & Spare Parts		
MRUL	2,087,464	2,408,021
MRUL : Provision for slow-moving /obsolete stores	(570,595)	(780,993)
MRUL: Tea Nurseries	33,363	44,222
MRAL (packaging material)	22,428	24,307
	1,572,660	1,695,556
Finished Goods (Stock of Tea)		
MRUL	1,665,644	1,471,010
MRME	119,048	164,969
MRAL	242,684	236,625
	2,027,375	1,872,604
Less:		
MRME: Goods in transit	94,679	56,577
	3,694,714	3,624,737



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
--------------------------------------	--------------------------------------

10 Biological Assets Other than Bearer Plants (Current Assets)

MRUL: Green Leaf lying on Tea Bushes	94,088	67,970
	94,088	67,970



11 TRADE RECEIVABLES

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
Secured		
Considered Good		
Credit Impaired		
Less: Allowances for Doubtful debts		
Unsecured		
- Considered Good		
MRME	328,799	281,819
MRUL	62,750	277,227
MRAL	518,796	574,614
MRAL: from MRME	0	0
MRAL: From MRUL	0	0
MRME: Credit Impaired	63,392	65,403
Less: Allowances for Doubtful debts	(38,032)	(12,972)
MRUL: Credit Impaired	25,056	
Less: Allowances for Doubtful debts	(25,056)	
Other Debts		
	935,707	1,186,092

Internal Note:

- 1 Specify against each line-item the receivable from any group company
- 2 In case any receivable is backed by a security, please specify with brief description of security.
- 3 Please give aging-schedule of Trade-Receivables, as per table below. The total of the table should agree with above total.

Aging of 'Trade-Receivables' :

	Current Balance Sheet Date	Last Balance Sheet Date
Outstanding from due-dates:		
Less than 6 months		
6 months to 1 year	847,259	1,160,318
1 year to 2 years		
2 year to 3 years	643	536
More than 3 years	87,805	25,238
Total (should agree with above totals)	935,707	1,186,092

Note-1 : Where no due-date is specified, period should be calculated from date of transaction.

Note-2 : For credit-impaired or disputed trade-receivable, please inform original due-dates for each of such receivable.



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Year Ended 31st March 2026	Year Ended 31st March 2025
GBP	GBP

12 Cash and Cash Equivalents

i) Cash and Cash Equivalents		
Cash in hand		
MRUL	18,935	23,605
MRME	411	933
MRAL	751	704
Cheques on hand		
Remittance in Transit		
Balance with banks in Current Accounts		
BTHL	56,983	59,114
MRUL	18,772	98,172
MRME	29,211	32,514
MRAL	65,931	106,325
	190,992	321,367
ii) Other Bank Balances		
Fixed deposits with Maturity more than 3 months but less than 12 months	-	-
	-	-
Total	190,992	321,367

The above fixed deposit are not under lien.



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

13 Current Tax Assets (Net)

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
<u>Advance Tax</u>		
MRUL	1,015,882	1,057,763
MRAL	47,619	101,442
<u>Withholding tax</u>		
MRUL	337,714	351,637
<u>Other Tax Receivable</u>		
Provision for Tax		
MRAL	(34,331)	(58,601)
	1,366,885	1,452,241



14 Other Current Assets

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
Balance with Government Authorities		
BTHL		
BTHL- Unsecured - Considered Good (IE Smart Investor Depository Account - INRs5,000)	72	72
BTHL- Balance with excise / VAT authorities	5,680	918
MRME	4,439	4,727
MRUL	77,852	309,043
MRAL	94,756	75,434
MRME- Input Vat	9,883	8,387
Advance to Employees:		
MRUL	51,673	43,737
Advances to Suppliers, Service Providers etc.		
Considered Good		
MRUL	335,616	353,531
MRUL: Credit Impaired	38,286	37,312
Less: Provision for bad and Doubtful Advances	(38,286)	(37,312)
Other Loans and Advances		
Prepaid Expenses		
MRME	8,345	7,147
MRAL	1,154	881
MRUL	67,834	123,357
Accrued Income		
Advances to Others		
Interest accrued on Loans and Deposits		
BTHL: Interest on loans from MRME (Post Dec-2025)	-	-
BTHL: Interest on loans from MRAL		
Interest on loans from MRAL from Jan-26 to March-26 - Gross \$19,403.51 less tax @15% \$2,910.53= Net US\$=16,492.99	12,494.68	
Interest on loans from MRAL from Jan-25 to March-25 - Gross \$21,700.11 less tax @15% \$3,255.02= Net US\$=18,445.09		14298.52
Compensation receivable from Government		
Other Short Term Assets		
MRAL: Receivable deposits	2,060	2,110
MRAL: Loan receivable (principal) from Knovic Pte Ltd, Singapore		23,249
	671,857	966,891



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

15 EQUITY SHARE CAPITAL

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
Authorised		
500,000 (2025- 500,000) equity shares of £1 each	500,000	500,000
Issued, subscribed and paid-up		
252,000 (2025- 252,000) equity shares of £1 each fully paid up	252000	252,000
	252,000	252,000



16 Other Equity

	General Reserve	Securities Premium Account	Capital Redemption Reserve	Revaluation Reserve	Reorganisation Reserve	Other Reserve	Foreign Currency Translation Reserve Account	Surplus in Profit and Loss Statement	Total
	£	£	£	£	£	£	£	£	£
Opening Balance as at the start of the year	-	5,158,424	-	-	-	144,449	(10,041,276)	11,917,884	7,179,480
Consolidated Loss for the year	-	-	-	-	-	-	-	(1,326,922)	-
Fx Differences	-	-	-	-	-	-	(174,488)	-	(174,488)
Balance at the end of the year	-	5,158,424	-	-	-	144,449	(10,215,764)	10,590,962	5,678,070



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

18 Non Current Borrowings

		Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
SECURED			
Term-Loans from Banks (Bank-wise detail)			
MRUL: Absa Bank (Former Barclay Bank Limited)		4,898,271	6,464,274
MRUL: Less Repayable within one year		(1,224,568)	(1,292,855)
MRUL:Uganda Development Bank		3,592,649	3,777,273
MRUL: Less: Repayable within one year		(275,549)	(152,812)
During 2019, Term loan of USD 15 Million is taken, repayable monthly instalment of USD 250,000 for 5 years. The repayment started from Aug 2019. The loan carries a interest of 3 month SOFR plus a base rate of 4.8%. The Loan is Secured by a Mortgage over property title Mortgage over property title LRV 578 folio 24, LRV 1903 Folio 8, LRF 593 Folio 2, LRV 2672 Folio 17 and LRV 515 Folio 20 located at Bugambe, registered in the name of the Company. Mortgage over property title LRV 546 folio 17, LRV 569 folio 13 & 14 at Toro. The term loan has been restructured during November 2024. The term of repayment has been extended to 5 years with monthly repayment schedule.			
During 2021, Term loan of Uganda Shillings equivalent of USD 5 Million is taken. It has 3 years moratorium period. Repayment in Equated Quarterly instalment would start from 17th Feb 2025. The loan carries a interest of 12%. The Loan is secured by Legal mortgage over property title LRV 599 Folio 12 and untitled agricultural land at Kisaru tea estate and Fixed and floating debenture over current and future movable and immovable assets in respect of the above property.			
Loans from group companies			
McLeod Russel Uganda Limited - US\$13,600,000 Loan (closing balance at the year end in US\$6,990,475.62)		-	-
MRAL: From BTHL to MRAL	LIBOR+2%	0	0
BTHL: Loan to MR Africa Limited (US\$ Loan) (Post Dec-25)		13,105	
MRME: Loan from BTHL (US\$ @8%)		(0)	(0)
		7,003,908	8,795,880

Declaration :

We hereby confirm that borrowings from banks were used for the specific purpose for which these were taken,
We hereby confirm that as on the Balance-Sheet date, there were no defaults in repayment of borrowings and interest.
We hereby confirm that security (wherever applicable) has been created in favour of Banks
We hereby confirm that all returns/ statements submitted to banks are in agreement with books of account.



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

19 Other Financial Liabilities

	Year Ended 31st March 2026		Year Ended 31st March 2025	
	GBP		GBP	
	Current	Non-Current	Current	Non-Current
Interest accrued but not due on borrowings - Banks				
MRUL: Interest accrued but not on borrowings - Banks	1,536,938		1,401,575	
Interest accrued but not due on borrowings - Group				
Interest due to to MRUL from 01/01/26 to 31/03/26 (Gross \$120,657.5 less tax \$24,131.50 - Net \$96,526	73,126			
Interest due to to MRUL from 01/01/25 to 31/03/25 (Gross \$120,657.50 less tax \$24,131.50 - Net \$96,526			74,826	
Liabilities Payable to Employees				
MRUL - Liabilities payable to employees	89,971		105,115	
Provision for Employee Benefits				
Others (Specify)				
	1,700,036	-	1,581,517	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Year Ended 31st March 2026 GBP		Year Ended 31st March 2025 GBP	
	Current	Non-Current	Current	Non-Current
20 Provision for post-retirement employee benefits				
Gratuity				
MRUL		569,597		592,036
MRME		25,996		21,453
Others Employee -Benefits (specify nature)				
MRAL: Accrued leave	18,431		8,709	
	18,431	595,593	8,709	613,489



Year Ended 31st March 2026		Year Ended 31st March 2025	
GBP		GBP	
Current	Non-Current	Current	Non-Current

21 Other Provisions

Provision for mark to market losses on derivatives				
Corporation tax provision (Corporation tax charge for the year)	-	-	-	-
Provision for slow moving stock	-	-	-	-
Others (specify nature)	-	-	-	-
	-	-	-	-



BORELLI TEA HOLDINGS LIMITED

22 DEFERRED TAX LIABILITIES (NET)

A. Deferred Tax Liability arising due to

	GBP Year Ended 31st March 2026	GBP Year Ended 31st March 2025
i) Difference between net book value of depreciable capital assets as per books vis-à-vis written down value as per tax laws		
MRUL	2,703,711	2,906,021
ii) Others (specify nature)		
MRUL On Fair Value gain on derivative financial instruments		-
MRUL Temporary difference on forex fluctuations	106,365	131,753
MRUL On Fair Value gain on Biological assets	28,226	20,391
A. Deferred Tax Liability arising due to	2,838,303	3,058,164
B. Deferred Tax Assets arising due to		

B. Deferred Tax Assets arising due to

i) Voluntary Retirement Compensation		
ii) Items allowed for tax purpose after actual payment		
MRAL Accrued Leave	(5,529)	(2,613)
iii) Provision for Doubtful Debts, Advances etc.		
MRUL	(597,969)	(400,882)
MRAL	(13,404)	(1,744)
iv) Increase / Decrease in Tax losses available for set off against future Taxable income		
MRUL	(850,553)	(1,482,374)
MRAL		-
v) Others (Specify nature)		
MRUL Interest disallowed under section 25	(1,218,901)	(862,602)
MRUL Tax effect of re- measurement of retirement benefit obligation	(170,879)	(177,611)
MRAL Unrealised exchange Loss	(61,992)	(59,844)
MRAL Plant and equipment	(1,018)	(1,242)
B. Deferred Tax Assets arising due to	(2,920,245)	(2,988,910)
Net Deferred Tax Liabilities (A-B)	(81,942)	69,254

Please give movement in Deferred Tax Liabilities (Net) in following table :

	Property, Plant, Equipment	Tax Losses available for set-off against future income	Items Allowed for Tax-purpose on payment	Provision for Doubtful Debts, Advances etc	Others Items	Total
Opening Balance	2,814,901	(1,538,237)	(606,579)	(392,512)	(208,320)	69,254
Charged/Credited to :						-
Profit & Loss Statement	(202,084)	638,553	(2,917)	(208,748)	(19,700)	205,104
Others Comprehensive Income			(356,300)			(356,300)
Closing Balance	2,612,817	(899,684)	(965,796)	(601,260)	(228,020)	(81,942)



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
23 Other Non-current Liabilities		
Deferred revenue arising from government grants	-	-
Others (specify nature)	-	-
	-	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

24 CURRENT BORROWINGS

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
Secured Loans repayable on demand from Banks		
Cash Credit, Packing Credit and Demand Loans		
Current maturities of long-term debts		
- payable to banks / institutions		
MRUL Absa Bank Limited	2,117,788	2,304,665
The company has USD 6 Million and Ugx 1.2 Billion overdraft facility from the bank. The company need to pay on the overdrawn amount a interest of 3 months SOFR plus a base rate of 4.8%. The Loan is secured by a Mortgage over property title LRV 578 folio 24, LRV 1903 folio 8, LRF 593 folio 2, LRV 2672 folio 17 and LRV 515 folio 20 located at Bugambe, Bugahya, Kisita, Hoima and buniyoro, registered in the name of the Company. During November 2024, the loan has been restructured and OD has been reduced to USD 3 Million. The balance of OD 3 Million and Ugx 1.2 Billion is merged with term loan.		
MRUL Stanbic Uganda Limtied	1,360,090	1,420,481
The Company has taken USD 2 Million overdraft facility from the bank. The interest on the overdrawn amount is calculated at 6.5%. The Loan is Secured by a Mortgage over property title LRV 547 folio 2 at Muzizi and second ranking debenture charge over all fixed and floating assets of the Company. With the restructure of OD facility, the facility would reduce by USD 25,000 every quarter from April 2025 onwards.		
MRUL - Term loan -instalments repayable witin one year.		
Secured Loans		
MRUL:Current maturities of long-term debts	1,500,117	1,445,667
Unsecured Loans		
Unsecured Loans from group companies		
	4,977,995	5,170,814

Declarations :

We hereby confirm that borrowings from banks were used for the specific purpose for which these were taken,
We hereby confirm that as on the Balance-Sheet date, there were no defaults in repayment of borrowings and interest.



25 TRADE PAYABLES

Note-2: For disputed trade-payable, please inform original due-dates for each of such receivable.



26 Current Tax Liabilities (Net)

		Year Ended 31st March 2026	Year Ended 31st March 2025
		GBP	GBP
Provision for Income Tax			
	Less: Withholding Tax Recoverable	-	-
		-	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Year Ended 31st March 2026	Year Ended 31st March 2025
GBP	GBP

27 Other Current Liabilities

Advances from Customers / Selling Agents		
MRUL		-
Capital Liabilities		
Current maturities of long-term debt		
Statutory dues (including Provident Fund and Tax deducted at Source)		
MRUL	1,301,348	1,072,012
MRAL	4,459	6,354
Other Payables		
BTHL : Due to Others		
BTHL : Provision for Income tax (Net of Advance Tax) - UK tax deducted at source on interest payable to MRUL (Payable to tax authorities - HMRC)	750,369	677,595
MRUL: Payables to Others	388,600	350,809
MRME: Accruals	7,535	6,337
MRME: Payable for expenses	23,639	17,124
BTHL : Interest on loans from MRME (Post Dec-2025)	7778	-
BTHL : Accruals	24,000	20,000
	2,507,728	2,150,231



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

28 REVENUE FROM OPERATIONS

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
MRUL :Sale of Tea		
MRUL :Sale of Tea to MRME	11,131,118	10,037,644
MRUL :Sale of Tea to MRAL	-	0
	-	0
MRME:Sale of Tea		
	1,274,001	1,376,429
MRAL:Sale of Tea to MRME		
MRAL:Sale of Tea to Others	0	(0)
Other Operating Revenues	2,789,630	3,719,063
	15,194,750	15,133,136

BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

29 OTHER INCOME

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
Interest Income (Gross)		
On Deposits		
BTHL : Interest Receivable from MRAL Apr - Dec	-	-
BTHL : Interest Receivable from MRAL Jan- Mar	14,700	16,822
MRUL: On Loans from BTHL Jan-Mar	178,223	184,271
Interest Income on Other Loans		
Dividend on Long Term Trade Investments		
From Subsidiary Company		
Sundry Income		
BTHL:Rental Income from Property in Rwanda	4,318	26,792
MRUL:Sundry Income	10,681	4,976
MRUL:Profit on Disposal of Property Plant and Equipment	5,019	-
MRUL:Liabilities no Longer Required, Written Back	184,727	-
Gain on financial assets at fair value through P&L		
Net Gain on Foreign Currency Transaction and Translation		
Others (specify nature)		
MRAL: Gain on Bended Tea	3,427	2,611.50
Misc Income	-	31,514
MRUL: Changes in fair value of biological asset - (Leaf on tea bushes)	29,652	(5,772)
	430,747	261,214



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
30A COST OF GREEN LEAF PURCHASED		
MRUL:Green Leaf (purchased and consumed)	2,113,663	1,145,943
	2,113,663	1,145,943
30B PURCHASE OF TEA		
MRME: purchase of Tea	372,570	367,931
MRAL: purchase of Tea	2,698,519	3,325,114
	3,071,089	3,693,046
30 CHANGES IN VALUE OF INVENTORY OF GREEN LEAF		
Changes in Value of Green Leaf harvested but not processed		
(Increase)/Decrease	-	-
31 CHANGES IN INVENTORIES OF FINISHED GOODS		
Stock of Tea at the beginning of the year	1,845,562	2,319,052
Add : adjustment for intercompany transactions between group companies		
Adjustment for Fx Difference	27,042	(86,902)
A	1,872,604	2,232,150
Less: Removal of PBT stock on sale of PBT		
PBT Finished Stock		(434,256)
PBT : Provision for inferior / old teas		200,997
Being foreign exchange difference between last year closing stock(B/S) at closing and this year opening stock (P&L) items at average rate.	(29,942)	(67,759)
Being transfer of foreign exchange difference between last year closing stock(B/S) at closing and this year opening stock (P&L) items at average rate from note 31 to note-35.	29,942	67,759
B	-	(233,259)
Less: Stock of Tea at the end of the year	(2,072,921)	(1,845,562)
Foreign Exchange loss / (gain) - arising on consolidation	45,546	(27,042)
C	(2,027,375)	(1,872,604)
(A+B+C) - (Increase)/Decrease	(154,771)	126,287



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
32 EMPLOYEE BENEFITS EXPENSE		
32B Salaries and Wages	3,162,212	3,285,530
32B Contribution to Provident and Other Funds	300,331	339,212
32B Increase in accrued leave provision	9,868	2,847
32B Labour and Staff Welfare	237,741	282,986
	3,710,152	3,910,574
33 FINANCE COSTS		
Interest Expense		
On Fixed Loans		
MRUL:Interest charge	969,727	694,996
MRME:Interest charge on delayed payt	0.00	0
MRAL : Interest charge - BTHL - Jan - Mar	17,373	20,174
MRAL : Interest received	(6,668)	(5,782)
Others		
BTHL:McLeod Russel Uganda Limited (interest Apr to Dec)	-	0
BTHL:McLeod Russel Uganda Limited (interest Jan to Mar)	91,407	93,533
MRUL: Interest charge	296,666	616,595
MRAL: Net foreign exchange loss/(gain)- Realised	1,847	(99,019)
Other Borrowing Costs		
MRME	5,384	0
MRUL	73,199	51,537
	1,448,934	1,372,035
34 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Fixed Assets		
MRUL	993,009	951,345
MRME	0	154
MRAL	605	605
Amortisation of other Intangible Assets		
BTHL	58,205	58,218
	1,051,819	1,010,323



BORELLI TEA HOLDINGS LIMITED
Notes to the Financial Statements (Contd.)

Year ended 31st March 2026 GBP	Year ended 31st March 2025 GBP
--------------------------------------	--------------------------------------

32B Employee benefits expense

Salaries, Wages, Bonus etc.		
Mcleod Russel Africa Limited	90,159	78,392
Mcleod Russel Middle East	63,468	58,120
Mcleod Russel Uganda Limited	3008585	3,149,018
	3,162,212	3,285,530
Contribution to Provident and Other Funds		
Mcleod Russel Africa Limited	2,476	2,730
Mcleod Russel Middle East	4,956	2,242
Mcleod Russel Uganda Limited	292,900	334,239
	300,331	339,212
Increase in Accrued Leave Provision		
Mcleod Russel Africa Limited	9,868	2,847
Mcleod Russel Uganda Limited		-
	9,868	2,847
Labour and Staff Welfare		
Mcleod Russel Africa Limited	3,053	
Mcleod Russel Uganda Limited	223,881	267,758
Mcleod Russel Middle East	10,807	15,228
	237,741	282,986
	3,710,152	3,910,574



35 OTHER EXPENSES

	Year Ended 31st March 2026	Year Ended 31st March 2025
	GBP	GBP
Consumption of Stores and Spare Parts and Blending charges and fertilizers	698,594	1,231,892
Consumption of Packing Materials	213,241	241,739
Power and Fuel	1,253,975	1,522,470
Rent	17,267	17,165
Lease Rent	2,517	4,528
Repairs - Buildings	13,378	11,301
- Machinery	642,151	474,597
- Others	60,451	47,422
Insurance	80,774	86,321
Rates and Taxes	13,531	9,734
Excise Cess on Tea	-	-
Green Leaf Cess	-	-
Travelling	51,801	74,190
Auditors Remuneration	62,514	68,114
Legal and Professional Fees	70,394	175,029
Bank Charges	975	648
Electricity & Water	-	-
Freight, Shipping and Selling Expenses	1,266,807	1,482,127
Brokerage on Sales	72,461	60,635
Selling Agents' Commission	28,528	55,058
Royalty fee / License fee	-	-
Loss on Disposal of Fixed Assets (net)	74,351	2,032
Gain on disposal of 100% shares of Phu Ben (subsidiary)	-	-
Provision (100%) against receivable from MRIL	131,579	-
Provision for Doubtful debt Debts	85,708	230,785
Provision for doubtful loan assets	347,935	557,524
Management charges paid by BTHL to TGFM	60,000	60,000
Loan Guarantee commission payable	-	-
Prov. For Diminution In value of Investment	-	-
Security Deposit written off	-	-
Provision for mark to market losses on derivatives	-	-
- Actually Paid	-	-
- Translation Loss	-	-
Any other Write Off (Specify)	-	-
Miscellaneous Expenses	178,122	203,850
Foreign Exchange loss / (gain) - Realised	81,542	278
Foreign Exchange loss / (gain) - Unrealised	(46,030)	(21,192)
Mark-to-market unrealised loss on forex derivative contracts	-	-
BTHL: Foreign Exchange loss / (gain) - arising on consolidation	(75,488)	40,717
Postage and telephone	-	-
Vehicle running	-	-
Printing and stationery	-	-
Cleaning Expenses	-	-
Entertainment	-	-
Advertisement and promotion	1,308	-
Fines and penalties	-	-
Licences	-	-
Subscriptions	-	-
Secretarial fees	-	-
Loading and unloading charges	5,135	8,478
Re-sampling charges	11,869	14,760
Warehousing charges	-	-
	5,405,391	6,660,202



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)
35A- OTHER EXPENSES BY SUBSIDIARY

	Borelli Tea Holdings Limited	McLeod Russel Uganda Limited	McLeod Russel Africa Limited	McLeod Russel Middle East DMCC	Consolidation adjustments	Note on following page	Total
	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Consumption of Stores and Spare Parts and Blending charges and fertilizers		685,901		12,693			698,594
Consumption of Packing Materials		175,601	35,533	2,107			213,241
Power and Fuel		1,252,549	1,426				1,253,975
Rent			8,671	8,596			17,267
Lease Rent		2,517					2,517
Repairs - Buildings		13,378					13,378
- Machinery		642,151					642,151
- Others		60,429	22				60,451
Insurance		80,774					80,774
Rates and Taxes		13,531					13,531
Excise Cess on Tea							-
Green Leaf Cess							-
Travelling		44,123	7,679				51,801
Auditors Remuneration	25,000	30,046	4,012	3,457			62,514
Legal and Professional Fees	40,802	15,587	14,006				70,394
Bank Charges	975						975
Electricity & Water							-
Freight, Shipping and Selling Expenses		978,473	283,123	5,210			1,266,807
Brokerage on Sales		72,461					72,461
Selling Agents' Commission		856	27,673				28,528
Royalty fee / License fee							-
Loss on Disposal of Fixed Assets (net)	74,351						74,351
Gain on disposal of 100% shares of Phu Ben (subsidiary)							-
Provision (100%) against receivable from MRIL	131579.00						131,579
Management charges paid by BTHL to TGFm	60,000						60,000
Loan Guarantee commission payable							-
Prov. For Diminution In value of Investment							-
Provision for Doubtful Debts		28,312	32,420	24,976			85,708
Security Deposit written off							-
Provision for Doubtful Loans		335,935	12,000				347,935
Provision for mark to market losses on derivatives							-
Gain on disposal of 100% shares of Phu Ben (subsidiary)							-



Provision (100%) against receivable from MRIL		Borelli Tea Holdings Limited	McLeod Russel Uganda Limited	McLeod Russel Africa Limited	McLeod Russel Middle East DMCC	Consolidation adjustments	Note on following page	Total
- Actually Paid								-
- Translation Loss								-
Any other Write Off (Specify)								-
Miscellaneous Expenses		160	97,276	32,566	48,120			178,122
Foreign Exchange loss / (gain) - Realised		7,471	74,071					81,542
Foreign Exchange loss / (gain) - Unrealised		(46,030)						(46,030)
Mark-to-market unrealised loss on forex derivative contracts								-
BTHL: Foreign Exchange loss / (gain) - arising on consolidation.						(75,488)	Note-1	(75,488)
Postage and telephone								-
Vehicle running								-
Printing and stationery								-
Cleaning Expenses								-
Entertainment								-
Advertisement and promotion								-
Fines and penalties				1308.139535				1,308
Licences								-
Subscriptions								-
Secretarial fees								-
Loading and unloading charges					5,135			5,135
Re-sampling charges					11,869			11,869
Warehousing charges								-
TOTAL		294,308	4,603,971	460,437	122,163	(75,488)		5,405,391



Notes to Financial Statements (Contd.)

35B	Exceptional Item	31st March 2026		31st March 2025	
		£	£	£	£
			0.00		-
			-		-





BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

36 (a) Income tax Expense	Current Year GBP	Current Year GBP	Current Year GBP	Current Year GBP	Current Year GBP	Current Year GBP
	MRUL	MRME	MRAL	BTHL	Consolidation Adjustments (Note-1)	Total
<u>Current Tax</u>						
Current tax on profits for the year			34,131	648		0
Withholding tax suffered on Royalty, Management, License and Rental Income				9,280		34,779
Withholding tax suffered on Dividend and Interest Received				235,908		9,280
Adjustments for current tax of prior periods						235,908
Current tax on interest income						0
Sub-Total	0	0	34,131	245,836		279,967
<u>Deferred Tax</u>						
MRAL: Decrease / (increase) in deferred tax assets						0
MRUL: Decrease / (increase) in deferred tax assets	(101,667)		(14,953)			(116,620)
MRUL: (Decrease) / increase in deferred tax liabilities	20,801					20,801
(Decrease) / increase in deferred tax liabilities						0
Sub-Total	(80,866)	0	(14,953)	0		(95,818)
Total	(80,866)	0	19,179	245,836		184,149

Internal Note: This must agree with "Total Tax Expense" appearing in Statement of Profit & loss

(b) Reconciliation of tax expense and the accounting profit multiplied by average tax rate:

	Current Year GBP	Current Year GBP	Current Year GBP	Current Year GBP	Current Year GBP	Current Year GBP
	MRUL	MRME	MRAL	BTHL	Consolidation Adjustments (Note-1)	Total
Profit before income-tax						
Average rate of Income Tax	(401,911) 30%		19,946 30%	(550,327) 25%		(1,032,293)
Tax at an average rate	(120,573)	0	5,984	(162,582)	0	(277,171)
Effects of :-						
Withholding-tax suffered						-
Adjustment to tax-charge in respect of prior periods- income tax						-
Adjustment to tax-charge in respect of prior periods- deferred tax	(165,335)					(165,335)
Effect on non- taxable gain on sale of investments						-
Effect of expenses not deductible for tax-purposes	17,262		13,195			30,457
Effect of income not subject to tax						-
Adjustment for tax on losses						-
Underprovision of deferred tax in prior years				398,490		398,490
Withholding-tax suffered				9,928		9,928
Any Other items (Recognition of derecognised deferred tax)	187,781					187,781
Income Tax Expense Total (See Internal Note Below)	(80,866)	0	19,179	245,836	0	184,149

Internal Note: This must agree with "Total Tax Expense" appearing in Statement of Profit & loss

BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

37

OTHER COMPREHENSIVE INCOME

		Year Ended 31st March 2026 GBP	Year Ended 31st March 2025 GBP
Gain or Loss on			
'a) Items that will not be reclassified to Profit or Loss :			
MRUL	i) Re-measurement of post-employment benefit obligations	(174,274)	(261,858)
MRUL	Less : Tax on above	52,282	78,558
	(ii) Fair Value gain/loss on Equity-instruments/ Investments		
	Less : Tax on above		
	iii) Others (Specify nature)		
	Less : Tax on above		
b) Items that will be reclassified to Profit or Loss :			
	(i) Exchange difference on translation of foreign operations		
	(ii) Any other item		
	Investment property fair value adjustment		256,744
		(121,992)	73,443



1. MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied presented, unless otherwise stated.

1.1 Basis of Preparation

1.1.1 Compliance with Ind AS

These financial statements comply in all material aspects with Ind. AS (Indian Accounting Standards).

1.1.2 Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.1.3 Historical Cost Convention

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- i) certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- ii) certain biological assets (including unplucked green leaves) – measured at fair value less cost to sell.
- iii) Gratuity liability is measured at fair value on basis of actuarial valuation.

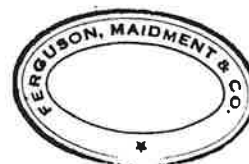
1.2 Segment Reporting

N/A

1.3 Foreign Currency Translation

Foreign currency transactions are translated into British pounds (£) functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign Currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions.



The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet.
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in 'Foreign Currency Translation Reserve' under 'Reserves & Surplus'.

1.4 Revenue Recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer.

1.5 Government Grants

N/A

1.6 Accounting for Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Company pays UK corporation tax at the rate of 19% of its assessable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets/liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary and associate where in case of assets it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the



BORELLI TEA HOLDINGS LIMITED

Year Ended 31st March 2026

Notes to Stand Alone Financial Statements (Contd.)

temporary differences can be utilised and in case of liabilities the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred 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, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.7 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.8 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

1.9 Inventories

N/A

1.10 Biological Assets

N/A

1.11 Financial Instruments

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments. The company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.



The company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

A. Financial Assets

Initial Recognition and measurement

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate in initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- (i) at amortised cost,
- (ii) at fair value through other comprehensive income (FVTOCI), and
- (iii) at fair value through profit or loss (FVTPL).

Financial Assets at amortised cost

A 'financial Asset' is measured at the amortised cost if the following two conditions are met:

- (i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and



(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

Financial Assets at Fair value through profit or loss (FVTPL)

Financial Assets which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

Equity Instruments

Equity instruments in the Scope of Ind AS 109 are measured at FVTPL.

The company makes an election to present changes in fair value through other comprehensive income or through profit or loss on instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

In case the company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. In addition, profit or loss arising on sale is taken to other comprehensive income. The amount accumulated in this respect is transferred within the Equity on derecognition.

Derecognition

The Company derecognizes a financial asset or a company of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

B. Financial Liabilities

Initial Recognition and measurement

The financial liabilities include trade and other payables, loan and borrowings including book overdraft, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.



Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified in the following categories:

- (i) at amortised cost, and
- (ii) at fair value through profit or loss (FVTPL).

Financial Liabilities at amortised cost

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in the consolidated statement of profit and loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

Financial Liabilities at Fair value through profit or loss (FVTPL)

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Consolidated Statement of profit and loss.

Derecognition

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

C. Derivative and Hedge Accounting

Initial Recognition and Subsequent measurement

The Company on entering into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies, uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in the Consolidated Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Consolidated Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented



BORELLI TEA HOLDINGS LIMITED
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Notes to Stand Alone Financial Statements (Contd.)

within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in the Consolidated Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Consolidated Statement of profit and loss.

D. Offsetting financial instruments

Financial assets and liabilities including derivative financial instruments are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

E. Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

F. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

G. Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The company recognises loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortised cost.



The company recognises lifetime expected credit losses for trade receivables. Loss allowance equal to the lifetime expected credit losses are recognised if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

1.12 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost which represents the carrying value of PPE (including Revaluation thereon) as at 1st April 2015 as per previous generally accepted accounting principles (Previous GAAP) and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses related to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised and added to the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Bearer plants comprising of matured tea bushes are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Immature bearer plants, including the cost incurred for procurement of new seeds and maintenance of nurseries are carried at cost less impairment losses recognised thereagainst under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Bearer Plants are depreciated from the date when they are ready for commercial harvest.

Where, The Company's leased assets comprises of land, building and plant and machinery and these have been separately shown/disclosed under PPE as Right of Use (ROU) Assets.



BORELLI TEA HOLDINGS LIMITED
Year Ended 31st March 2026
Notes to Stand Alone Financial Statements (Contd.)

Costs incurred for infilling are generally recognized in the Consolidated Statement of Profit and Loss.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

Capital work in progress includes nurseries, young tea under plantation, equipments to be installed, construction and erection costs and other costs incurred in relation thereto or attributable to the same. Such costs are added to the related items of PPE and are classified to the appropriate categories when completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values on the basis of useful lives.

Range of Life (years)

• Tea Plantations	:N/A
• Buildings	: N/A
• Plant and Equipment	: N/A
• Bearer Plants	: N/A
• Furniture and Fixtures	: N/A
• Vehicles	: N/A
• Computer	: N/A
• Office Equipment	: N/A

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

1.13 Intangible Assets

1.13.1 Trademark

Separately acquired Trademark is shown at historical cost. It is amortised over expected useful life and is subsequently carried at cost less accumulated amortisation and impairment losses.

1.13.2 Computer software



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Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs of purchased software are recorded as intangible assets and amortised from the point at which the asset is available for use.

1.13.3 Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	<u>Range of Life (years)</u>
• Trademark	20
• Computer software	N/A

1.14 Leases

N/A

1.15 Provision, Contingent Liabilities and Contingent Assets, legal or constructive

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are not recognised and disclosed by way of notes to the consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognised but are disclosed when an inflow of economic benefits is probable.



1.16 Employee Benefits

1.16.1 Short-term Employee Benefits

N/A

1.16.2 Long-term Employee Benefits (Unfunded)

N/A

1.16.3 Post-employment Benefit Plans

N/A

1.16.4 Bonus plans

N/A

1.17 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher on an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or company of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.18 Research and Development

N/A

1.19 Use of Estimates

The Preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affects the reported amount of assets and liabilities as at the balance sheet date, the reported amount of revenue and expenses for the periods and disclosure of contingent liabilities at the balance sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of financial statements. Actual results could differ from estimates.



The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements are:

i) Taxation:

Since the company has only investment business, critical estimates and judgements are not involved for taxation.

ii) Depreciation and amortisation:

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

iii) Provisions and Contingencies:

Provisions and contingencies are based on management's best estimate of the liabilities based on the facts known at the balance sheet date.

iv) Fair Value of Biological Assets:

N/A

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the parent entity and that are believed to be reasonable under the circumstances.

1.20 Borrowing costs

Interest and other borrowing costs are charged to Statement of Profit and Loss. However in case of qualifying projects, such costs would be capitalized.

1.21 Goodwill

N/A



1.22 Significant changes in Accounting-Policies (if any):

<u>Subject</u>	<u>Policy in last year</u> <u>Impact</u>	<u>Policy in current year</u>	<u>Financial</u>
----------------	---	-------------------------------	------------------

N/A

38. Scope of Consolidation:

The consolidated financial statements for the year comprise the financial statements of the Parent Company, and its subsidiary companies as detailed below:-

<u>Name</u> <u>of</u> <u>Company</u>	<u>Country</u> <u>of</u> <u>Incorporation</u>	<u>Proportion of</u> <u>ownership by</u> <u>Holding Company</u>	<u>Reporting</u> <u>Date of</u> <u>Subsidiary</u>
--	---	---	---

N/A for stand-alone accounts

39. Detail of Employee Benefits:

39.1 Post Employment Defined Contribution Plans:

N/A

39.2 Post Employment Defined Benefit Plans:

N/A

40. Contingent Liabilities:

	Current Year	Previous Year
	Amount	Amount
i) Claims not acknowledged as debts (Specify each item separately) All claims must be quantified. In case some Claim is not quantifiable, please specifically write so.	£Nil	£Nil
ii) Guarantees given on behalf of other companies to banks etc. and year-end utilisation	£Nil	£Nil
iii) Bank Guarantees Outstanding	£Nil	£Nil
iv) Any other (please specify)	£Nil	£Nil

41. Advances include:



(a) Loan to director at year-end: Current Year £Nil (Previous Year £Nil)

(b) Maximum amount of loan to directors : (i) Nil - Current Year (Previous Year - £Nil)

42. Assets of the Company charged against Loan/Guarantee availed by Company companies (including subsidiaries):

Please specify, if any.

N/A

43. Capital Commitment & Advances:

N/A

44. Revenue Expenditure on Research and Development:

N/A

45. Related parties:

- i) Please mention the names of key management personnel.**
- ii) Please specify the transactions with the key management personnel and balances with them at the end of the year.**
- iii) Please specify the transactions with relatives of key management personnel (in case of transactions, please mention the names of such persons and amounts.)**

For guidance, we are giving an indicative format herewith:

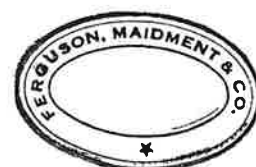
(A) List of Related Parties

Key Management Personnel

A Khaitan
B J Ruck
S Knight
D Sen
P Bhar

- **Relatives of Key Management Personnel with whom transactions took place during the year.**
N/A

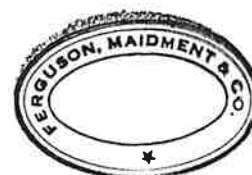
(B) Transactions / Balances with Key Management Personnel



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Year	Remuneration for the period		Loan outstanding at year ended	
	Current Year	Previous Year	Current Year	Previous
	£Nil	£Nil	£Nil	£Nil
(C)	i) Transactions with relatives of Key Management Personnel N/A			
	ii) Balances with relatives of Key Management Personnel N/A			
(D)	i) Transactions with Holding Co./Subsidiary ii) Closing Balances with Holding Co./Subsidiary (give nature-wise summary)			

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel India Ltd	Loan balance B/F	Nil	Nil
	Loan Received by BTHL including foreign exchange adjustment	Nil	Nil
	Loan Repaid by BTHL including foreign exchange adjustment	Nil	Nil
	Loan balance C/F	Nil	Nil
	Interest Expenditure (Gross – before tax)	Nil	Nil
	Interest accrued but not paid at the yearend (Gross)	Nil	Nil
	Subscription received for Share capital & premium	Nil	Nil
	Royalty income (Gross-before tax)	Nil	Nil
	Royalty accrued but not received at the yearend (Gross)	Nil	Nil



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	Guarantee Commission Income (Gross)	Nil	Nil
	Guarantee Commission Income accrued but not paid at the yearend (Gross)	Nil	Nil
	Dividend received (Gross)	Nil	Nil
	Dividend Paid by BTHL: Final Dividend	Nil	Nil
	Royalty Receivable w/off	Nil	Nil

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel Uganda Ltd	Loan Liability balance B/F	5,418,973	5,547,996
	Loan Received by BTHL including foreign exchange adjustment	Nil	Nil
	Loan Repaid by BTHL	Nil	Nil
	Foreign exchange adjustment	(123,158)	(129,023)
	Loan Liability balance C/F	5,295,815	5,418,973
	Interest Income (Gross – before tax)	Nil	Nil
	Interest accrued but not received at the yearend (Gross)	Nil	Nil
	Interest Expense (Gross – before tax)	363,863	380,289
	Interest accrued but not Paid at the yearend (Gross)	2,989,756	2,687,994
	Subscription received for Share capital & premium	Nil	Nil
	Royalty income (Gross-before tax)	Nil	Nil
	License Fees	Nil	Nil
	Interest Paid	Nil	Nil
	Dividend Received (Gross)	Nil	Nil



BORELLI TEA HOLDINGS LIMITED
Year Ended 31st March 2026
Notes to Stand Alone Financial Statements (Contd.)

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel Middle East	Loan Asset balance B/F	Nil	Nil
	Loan Given including foreign exchange adjustment	Nil	Nil
	Loan Refund received including foreign exchange adjustment	Nil	Nil
	Loan Asset balance C/F	Nil	Nil
	Interest Income (Gross – before tax)	Nil	Nil
	Interest accrued but not received at the yearend (Gross)	78,006	152,492
	Interest Received	Nil	Nil
	Other transactions	Nil	Nil

Name of Holding Co /subsidiary	Nature of Transactions/Balances	Y/E 31 st March 2026 (£)	Y/E 31 st March 2025 (£)
McLeod Russel Africa Limited	Loan Asset balance B/F	1,046,512	1,071,428
	Loan Given including foreign exchange adjustment	Nil	Nil
	Loan Refund received	Nil	Nil
	Foreign exchange adjustment	(23,784)	(24,917)
	Loan Asset balance C/F	1,022,727	1,046,512
	Interest Income (Gross – before tax)	61,730	74,144
	Interest accrued but not received at the yearend (Gross)	£12,494.68	£22,069
	Other transactions	Nil	Nil

46. Quantitative details of Tea

N/A

47. Quantitative detail of Green Leaf Consumed

N/A



48. Derivative Instruments and Unhedged Foreign Currency Exposure:

a) Derivatives outstanding as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31 st March 2026	31 st March 2025
			Amount in Foreign Currency	Amount in Foreign Currency
Forward Contracts	Hedging of foreign currency receivables	N/A	Nil	Nil
Currency swap for loan-principal	Shifting repayment-obligation to another currency	N/A	Nil	Nil
Interest-rate swap	Hedging of floating interest-rate (Note-1)	US\$	Nil	Nil

b) Particulars of Unhedged Foreign Currency Exposures as at the reporting date:-

Particulars	Purpose	Name of Foreign Currency	31 st March 2026	31 st March 2025
			Amount in Foreign Currency	Amount in Foreign Currency
Financial Assets:- MRIL Royalty income due from MRIL	Income receivable	Not applicable as invoice raised in GBP	Not applicable	Not applicable
Financial Assets:- PBTCL Loan due from PBTCL rd)	Intercompany loan	USD	Nil	Nil
Interest on loan due from PBTCL	Income receivable	USD	Nil	Nil
	Intercompany loan	USD	Nil	Nil
Financial Assets:- MRME Loan due from MRME	Intercompany loan	USD	Nil	Nil
Interest on loan due				



BORELLI TEA HOLDINGS LIMITED
Year Ended 31st March 2026
Notes to Stand Alone Financial Statements (Contd.)

from MRME	Intercompany loan	USD	103,124	160,118
Financial Assets:- MRAL Loan due from MRAL	Intercompany Loan	USD	1,350,000	1,350,000
Financial Liabilities:- MRIL Loan due to MRIL Commission payable due to MRIL	Intercompany Loan Commission payable	InRs InRs	Nil Nil	Nil Nil
Financial Liabilities:- MRUL Loan due to MRUL	Intercompany Loan	USD	6,990,476	6,990,476

In 2024 BTHL should have received the consideration from the sale pf PBT, however due to the fact that PBT shares were pledged by BTHL in favour of a company that provided loan to its parent company. BTHL did not receive anything and all the sale proceeds went to that Company. Similarly on sale of property in Rwanda BTHL made a gain of £131,579 which was received by MRIL. As MRIL still owed this money to BTHL we have recognised this amount as loan due from MRIL amounting to £1,904,682 (2025 -£1,773,103) as amount receivable and also provided full bad debt provision against it as MRIL is unable to pay it in the near future.

c) Mark to market Losses Provided for

Particulars	Purpose and Detail	31st March 2026 (£)	31st March 2025 (£)
		Amount	Amount
Loans		Nil	Nil
Total (See Internal Note Below)		Nil	Nil

Internal Note:



BORELLI TEA HOLDINGS LIMITED
Year Ended 31st March 2026
Notes to Stand Alone Financial Statements (Contd.)

49. Assets pledged /hypothecated/mortgaged as security

Please see note below

Particulars	Current Balance Sheet	Last Balance Sheet
	Amount	Amount
Current Assets:		
Financial Assets		
Trade Receivables		
Cash and Cash Equivalents		
Loans		
Current Tax Assets (Net)		
Other Financial Assets (Please Specify)		
Sub Total		
Non-financial Assets		
Inventories		
Biological Assets		
Other Current Assets (Please Specify)		
Sub Total		
Total Current assets pledged as security (a)		
Non-current Assets		
Property, Plant and Equipment		
Capital Work-in-Progress		
Other Non-Current Assets (Please Specify)		
(b)		
Total Assets pledged as security (a+b)		



50. Contractual obligation of payment of Principal and Interest on Long-term borrowings: -

N/A

51. Borrowings at Floating Interest-rate:

N/A

52. Maturity Analysis of Financial Liabilities:-

N/A

53. Accounting classification of each category of financial instrument, their carrying amount and fair value

Particulars	Fair Value through Profit and Loss Account (£)	Fair Value through Other Comprehensive Income (£)	Financial Assets-At amortised cost (£)	Fair Valuation Hierarchy (£)
Loans Receivable			1,022,727	
Other Financial Assets			£5,680	
Trade Receivables			Nil	
Cash and Cash Equivalents			56,983	
Borrowings			5,295,815	
Trade Payables			Nil	
Other Financial Liabilities			3,740,125	



54. Significant events/transactions taken place between the date of financial year end of subsidiaries (31st December 2025) and the date of financial year end of holding company Borelli (31st March, 2026)

McLeod Russel Uganda Ltd
None Noted

McLeod Russel Middle East
None Noted

McLeod Russel Africa
None Noted

McLeod Russel India Limited
None Noted

55. Lease Disclosure:

N/A

56. Currency:

All amounts mentioned in above notes are in home-currency (i.e. GBP Sterling), unless stated in specific foreign-currency.

57. Previous Year's figures:

N/A

58. Exceptional Items

None

Director

26/05/26



26/05/26



BORELLI TEA HOLDINGS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2026

	Note	31st March 2026 £	31st March 2025 £
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	-	477,365
Capital Work-in-Progress	2A		
Goodwill	3	-	-
Other Intangible Assets	4	-	58,201
Financial Assets			
Investments	5	8,845,681	8,845,681
Loans	6	1,022,727	1,046,512
Other Financial Assets	7	-	-
Other Non-current Assets	8	-	-
Current Assets			
Inventories	9	-	-
Biological Assets other than bearer plants	10	-	-
Financial Assets			
Loans	6	-	-
Other Financial Assets	7	-	-
Trade Receivables	11	-	-
Cash and Cash Equivalents	12	56,983	59,114
Current Tax Assets (Net)	13	-	-
Other Current Assets	14	96,253	175,555
TOTAL ASSETS		10,021,643	10,662,427
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	252,000	252,000
Other Equity	16	709,704	1,605,867
Minority Interest	17	-	-
Non-current Liabilities			
Financial Liabilities			
Borrowings	18	5,295,815	5,418,973
Lease Liabilities			
Other Financial Liabilities	19	-	-
Provisions:			
Provision for Post-retirement Employee Benefits	20	-	-
Other Provisions	21	-	-
Deferred Tax Liabilities (Net)	22	-	-
Other Non-current Liabilities	23	-	-
Current Liabilities			
Financial Liabilities			
Borrowings	24	-	-
Lease Liabilities			
Trade Payables	25	-	-
Other Financial Liabilities	19	2,989,756	2,687,994
Provisions:			
Provision for Post-retirement Employee Benefits	20	-	-
Other Provisions	21	-	-
Current Tax Liabilities (Net)	26	-	-
Other Current Liabilities	27	774,369	697,593
TOTAL EQUITY & LIABILITIES		10,021,643	10,662,427

Rerguson Maidment
Auditor
26/05/26



0.00

0.00

Director

BORELLI TEA HOLDINGS LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st March 2026

	Note	Current Year £	Previous Year £
Revenue from Operations	28	-	-
Other Income	29	66,049	100,936
Total Revenue		66,049	100,936
Expenses:			
Cost of Green Leaf Purchased		-	-
Decrease/(Increase) in Stock of Green Leaf	30	-	-
Purchase of Tea		-	-
Changes in Inventories of Finished Goods	31	-	-
Employee Benefits Expense	32	-	-
Finance Costs	33	363,863	380,289
Depreciation and Amortisation Expense	34	58,205	58,218
Other Expenses	35	294,308	(15,912)
Total Expenses		716,376	422,596
Profit before Exceptional Items and Tax		(650,327)	(321,660)
Exceptional Item	35B	-	-
Profit, before Tax and Minority Interest		(650,327)	(321,660)
Tax expense:			
Current Tax		245,836	15,140
Deferred Tax-Charge/(Credit)			
Total Tax Expense	36 (a & b)	245,836	15,140
Profit after Taxation but before Minority Interest		(896,163)	(336,800)
Other Comprehensive Income (net of tax)	37	-	256,744.00
Total Comprehensive Income for the period		(896,163)	(80,056)
Minority Interest		-	-
Profit for the Year		(896,163)	(80,056)

Auditor

Director



BORELLI TEA HOLDINGS LIMITED
Statement of Cash Flows for the year ended 31 March 2026

			Current Year	Previous Year
			£	£
A. Cash flow from operating activities :				
Profit / (Loss) before income tax			(650,327)	(321,660)
Adjustments for :				
Depreciation and Amortisation Expense			58,205	58,218
(Profit) / Loss on disposal of Property, Plant and Equipment			74,351	(256,744)
Amortisation of Government Grants - Capital Subsidy				
Fairvalue adjustment for investment property				
Profit on sale of investments				
Provision for diminution in value of investment			-	-
Adjustment for Income from shares in group undertakings			-	-
Changes in Fair Value of Biological Assets				
Dividend and Interest Income classified as investing cash flows				
Finance Costs				
Gain on financial assets at fair value through the profit and loss			-	-
Fair Value loss/Gain on Foreign Exchange Derivatives (Net)			-	-
Liabilities no longer required written back			-	-
Provision for bad and doubtful no longer required written back			-	-
Remeasurement of post-employment defined benefit obligations			-	-
Exchange difference on translation of balances denominated in Foreign Currency			-	-
Any other adjustments (please specify)			-	-
Change in operating assets and liabilities:				
Changes in Inventories				
Changes in Financial Assets (other than 'Loans given')				
Changes in Trade Receivables				
Changes in "Other Current Assets"			79,298	56,204
Changes in "Other Non-Current Assets"				
Changes in Trade Payables				
Changes in Financial Liabilities (other than Borrowings)				
Changes in Employee Benefit Obligations				
Changes in Other Current Liabilities			378,538	322,747
Any other changes in operating assets & liabilities (please specify)				
Cash inflow/(outflow) from operating activities :			(59,935)	(141,235)
Income taxes paid (Net of Refunds)			(245,836)	(15,140)
Net cash inflow/(outflow) from operating activities			(305,771)	(156,375)
B. Cash flows from investing activities:				
Payments for Property, Plant and Equipment (Tangible fixed assets)			-	-
Payments for Intangible Fixed Assets (Trademark, Computer software)			-	-
Loans to Employees and Related party			-	-
Receipts of Government Grants - Capital Subsidy			-	-
Proceeds from sale of Long Term Investments			-	-
Proceeds from sale of Property, Plant and Equipment			403,014	-
Repayment of loans by Employees and Related party			-	-
Dividends Received			-	-
Interest Received			-	-
Capitalisation of loans to / (from) subsidiary			-	-
Any other inflow/outflow for investing-activities (please specify)			-	-
Net cash inflow/(outflow) from investing activities			403,014	-



C. Cash flows from financing activities :				
Proceeds from Long Term Borrowings				
Repayment of Long Term Borrowings -			-	-
Repayment of Long Term Borrowings - Subsidiaries-MRUL			(123,159.00)	(129,023.00)
Proceeds from Short Term Borrowings -MRAL			23,784.35	24,219.00
Repayment of Short Term Borrowings -			-	-
Payment of Lease-liabilities				
Company's Share buy back			-	-
Interest paid				
Dividends paid			-	-
Any other inflow/outflow for financing-activities (please specify)				
Net cash inflow/ (outflow) from financing activities			(99,375)	(104,804)

Net increase (decrease) in Cash and Cash Equivalents

(2,132)

(261,179)

Reconciliation :				
Cash and Cash Equivalents at beginning of the year (Refer relevant numeric note)			59,114	63,549
Effect of exchange rate changes on opening Cash & Cash Equivalents				

(A)

Cash and Cash Equivalents at end of the year (Refer relevant numeric note)			56,983	59,114
(B)			(2,132)	(4,435)
Net increase (decrease) (A - B)				

Change in Group's liabilities arising from financing activities:	As at March 31, 2025	Cash flows	Non-Cash Flows	As at March 31, 2026
Non-current borrowings	5,418,974		(123,159)	5,295,815
Current maturities of long term debt				
Short Term borrowings	-			-
Interest accrued and due on borrowings	2,687,994		301,761.84	2,989,756
Interest accrued but not due on borrowings				-
Note: Includes cash flows on account of both principal and interest.				

Auditor

Ferguson Maidment & Co.
26/05/26



Director



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

2. Property Plant and Equipment

2. Property Plant and Equipment		GROSS BLOCK AT COST OR VALUATION					ACCUMULATED DEPRECIATION					NET BLOCK		
ASSETS	As at Last Balance Sheet date	Added on Consolidation	Additions during the year	Disposal during the year	Adjustment During the year (Note 1)	As at Current Balance Sheet date	Up to last Balance Sheet date	Added on Consolidation	For the year	On Disposal During the year	Adjustment During the year (Note 1)	Up to Current Balance Sheet	Written Down Value As at Current Balance Sheet Date	Written Down Value As at Last Balance Sheet Date
Land -Freehold														
Land - Leasehold														
ROU- Assets (Refer Note below)														
Tea Plantations (Bearer Plants)														
Buildings	477,365			(477,365)		-	-	-	-	-	-	-	-	477,365
Plant and Equipment														
Computers														
Motor and Other Vehicles														
Furniture and Fixtures														
Office Equipment														
Total Current Balance Sheet Date	477,365	-	-	(477,365)		-	-	-	-	-	-	-	-	477,365
Total Last Balance Sheet Date	220,621	-	256,744.00	-		477,365	-	-	-	-		477,365		220,621

Internal Note:

Please disclose the following by way of notes under the schedule

- 1) Regarding adjustments in 'Gross Block' as well as in 'Accumulated Depreciation', please specify for each row-item the amounts as well as nature of adjustments (for example: impairment-loss, foreign-exchange fluctuation, etc)
- 2) Conveyance deed pending (if any) for any immovable assets.
- 3) Assets acquired from any group-company.

4) This is a new standard applicable from April 01, 2019 whereby at inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On the commencement of the lease, lessee needs to recognise the right-of use asset and measure it at cost. Lessee should also recognise a lease liability and measure it at the present value of the lease payments that are not paid at that date.

	Description of item of property	Title-deed held in the name of	Property held since which date	Reason of not being held in name of the company (*)	Gross Block at Last Balance Sheet date	Gross Block at Current Balance Sheet date
Land - Freehold						
ROU - Leasehold Land						
Tea Plantations (Bearer Plants)					220,621.00	220,621.00
Buildings					256,744.00	256,744.00
fair value adjustment of Investment property						
ROU - Leasehold Buildings					477,365.00	477,365.00

* Please indicate if in dispute.



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Note 3 Goodwill

NOTE 3 - GOODWILL														
Particular	GROSS BLOCK AT COST OR VALUATION					AMORTISATION/IMPAIRMENT					NET BLOCK			
	As at Last Balance Sheet date	Added on Consolidation	Additions during the year	Disposal during the year	Adjustment During the year (Note - I)	As at Current Balance Sheet date	Up to last Balance Sheet date	Added on Consolidation	For the year	On Disposal During the year	Adjustment During the year (Note - I)	Up to Current Balance Sheet	Written Down Value As at Current Balance Sheet Date	Written Down Value As at Last Balance Sheet Date
Goodwill														
Goodwill on Consolidation														
Total Current Balance Sheet Date														
Total Last Balance Sheet Date														

Internal Note:

Please disclose the following by way of notes under the schedule

- 1) Regarding adjustments in 'Gross Block' as well as in 'Accumulated Depreciation', please specify for each row-item the amounts as well as nature of adjustments (for example: impairment-loss, foreign-exchange fluctuation, etc)
- 2) Basis of amortisation/Impairment of Goodwill (if any)

Note 4 Other Intangible Assets

Note 4 - Other Intangible Assets														
Particular	GROSS BLOCK AT COST OR VALUATION					AMORTISATION					NET BLOCK			
	As at Last Balance Sheet date	Added on Consolidation	Additions during the year	Disposal during the year	Adjustment During the year (Note - I)	As at Current Balance Sheet date	Up to last Balance Sheet date	Added on Consolidation	For the year	On Disposal During the year	Adjustment During the year (Note - I)	Up to Current Balance Sheet	Written Down Value As at Current Balance Sheet Date	Written Down Value As at Last Balance Sheet Date
Patent and Trade Mark	1,164,350					1,164,350	1,106,145		58,205			1,164,350	-	58,205
Computer Software														
Total Current Balance Sheet Date	1,164,350	-	-	-	-	1,164,350	1,106,145	-	58,205	-	-	1,164,350	-	58,205
Total Last Balance Sheet Date	1,164,350	-	-	-	-	1,164,350	1,047,931		58,218			1,106,149	58,201	116,419

Internal Note:

Please disclose the following by way of notes under the schedule

- 1) Regarding adjustments in 'Gross Block' as well as in 'Accumulated Depreciation', please specify for each row-item the amounts as well as nature of adjustments (for example: impairment-loss, foreign-exchange fluctuation, etc)
- 2) Basis of amortisation of Intangible Assets
- 3) Assets acquired from any group-company.



Current Balance Sheet Date £	Current Balance Sheet Date £
---------------------------------	---------------------------------

5 Non -Current Investments

Long Term

Investments in Equity Instruments - Subsidiaries		
Unquoted		
Investment in MRUL	8,808,221	8,808,221
Investment in MR Middle East LLC	36,555	36,555
Investment in MR Africa Limited	904	904
Investments in Equity Instruments - Trade		
Quoted		
Unquoted		
Investments in Equity Instruments - Other than trade		
Unquoted		
Babcock Borsig Limited		
1,299,600 shares @ INR 47 each	828,598	828,598
Less: Provision for diminution in value of investments re- Babcock borsig shares	(828,597)	(828,597)
	8,845,681	8,845,681



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

		Current Balance Sheet Date		Last Balance Sheet Date	
		£		£	
6	Loans	Current	Non-Current	Current	Non-Current
	Loans to Related Parties				
	- Subsidiary				
	Loan to Mcleod Russel Africa (US\$ loan - US\$1,350,000)		1,022,727		1,046,512
	Loan to Mcleod Russel India Limited US\$ loan)				
	Bad debt provision re- MRIL				
	- Key Managerial Personnel				
	Loans to Employees				
	Unsecured considered Good;				
	Unsecured which have a significant increase in Credit Risk				
	Credit Impaired:				
	Less: Provision for bad and Doubtful Loans				
	Loans to Others				
	Unsecured considered Good;				
	Unsecured which have a significant increase in Credit Risk				
	Credit Impaired:				
	Less: Provision for bad and Doubtful Loans				
		-	1,022,727	-	1,046,512

Internal Notes:

- 1) Please specify against each line-item the receivables from any group-company.
- 2) In case there is "provision for doubtful Loan" against any of the items, please disclose.

		Current Balance Sheet Date		Last Balance Sheet Date	
		£		£	
7	Other Financial Assets	Current	Non-Current	Current	Non-Current
	Security Deposits:				
	Considered Good				
	Considered Doubtful				
	Less: Provision for doubtful security-deposits				
	Margin Money Deposit with bank				
	Other Long Term Receivable				
	From Tea Growers				
	Others (Specify)				
	Interest Accrued on Loans and Deposits				
	Considered good;				
	Considered Doubtful				
	Less: Provision for Doubtful Interest Receivable				
	Receivable from MRIL	1,904,682		1,773,103.00	
	Bad debt provision against the amount receivable	(1,904,682)		(1,773,103.00)	
	Foreign Exchange Derivatives Assets				
	Other financial assets				
		-	-	-	-

Internal Note:

- 1) Please specify against each line-items the receivables from any group-company
- 2) Please specify against each line-item, the amount of Provision, if any.



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

8 Other Non-Current Assets

	Current Balance Sheet Date £	Last Balance Sheet Date £
Advances For Capital Expenditure		
Unsecured considered Good;		
Unsecured which have a significant increase in Credit Risk		
Credit Impaired:		
Less: Provision for Doubtful		
Prepaid Expenses		
Advances to Suppliers, Service Providers etc.		
Less: Provision		
Security Deposits:		
Considered Good		
Considered Doubtful		
Less: Provision for doubtful security-deposits		
Others (Please Specify)		
	-	-

9 INVENTORIES

	Current Balance Sheet Date £	Last Balance Sheet Date £
At lower of cost and net realisable value		
Raw Materials (Green Leaf)		
Finished Goods (Stock of Tea)		
[Including in transit (Last Balance Sheet Date.....)]		
Less: Provision for old/inferior/damaged tea		
Stores and Spares		
[Including in transit (Last Balance Sheet Date.....)]		
Less: Provision for slow-moving/obsolete stores		

Internal Note:

1) In case the stock of finished goods includes tea bought from any group-company, please specify the quantity (kg) and value of such stock as on the date of Balance-Sheet

10 Biological Assets Other than Bearer Plants (Current Assets)

	Current Balance Sheet Date £	Last Balance Sheet Date £
Green Leaf lying on Tea Bushes (i.e. unharvested Tea leaf)		
Value		
Quantity (Kg.)		



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

Current Balance Sheet Date £	Last Balance Sheet Date £
---------------------------------	------------------------------

11 TRADE RECEIVABLES

Secured		
- Considered Good		
- Credit Impaired		
Less: Allowance for Doubtful Debts		
Unsecured		
- Considered Good		
- Credit Impaired		
Less: Allowance for Doubtful Debts		
Less: Provision for Doubtful Debts		
	-	-

Internal Note:

0

- 1 Specify against each line-item the receivable from any group company (Please also mention the nature of receivable)
- 2 In case any receivable is backed by a security, please specify with brief description of security.
- 3 Please give aging-schedule of Trade-Receivables, as per table below. The total of the table should agree with above

Aging of 'Trade-Receivables' :

Outstanding from due-dates:

- Less than 6 months
- 6 months to 1 year
- 1 year to 2 years
- 2 year to 3 years
- More than 3 years
- Total (should agree with above totals)

Current Balance Sheet Date	Last Balance Sheet Date

Note-1 : Where no due-date is specified, period should be calculated from date of transaction.

Note-2 : For credit-impaired or disputed trade-receivable, please inform original due-dates for each of such receivable

Current Balance Sheet Date £	Last Balance Sheet Date £
---------------------------------	------------------------------

12 Cash and Cash Equivalents

Cash on hand		
Cheques on hand		
Remittance in Transit		
Balance with banks in Current Accounts	56,983	59,114
Fixed deposits with banks (please specify tenure)		
Escrow Accounts		
Other Bank Balances (Specify nature)		
	56,983	59,114

Current Balance Sheet Date £	Last Balance Sheet Date £

13 Current Tax Assets (Net)

Advance Tax		
Withholding Tax Recoverable		
Less : Provision for Tax		
	-	-

Internal Note

Withholding tax represents tax deducted by third parties, the benefit of which would be received by company



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

14 Other Current Assets	Current Balance Sheet Date	Last Balance Sheet Date
	£	£
BTHL- Unsecured - Considered Good (IE Smart Investor Depository Account - INR\$5,000)	72	72
BTHL- Balance with excise / VAT authorities	5,680	918
Prepaid Expenses		
Accrued Income		
BTHL: Interest on loans from MRME		
Gross Interest charges due from MLRME to BTHL from 01/04/14 to 31/03/15 (\$108,994.84)		73,645
Gross Interest charges due from MLRME to BTHL from 01/04/15 to 31/03/16 (\$55,227.78)	38,353	38,353
Gross Interest charges due from MLRME to BTHL from 01/04/16 to 31/03/17 (\$21,016)	16,813	16,813
Gross Interest charges due from MLRME to BTHL from 01/04/17 to 31/12/17 (\$11,863.39)	8,474	8,474
Gross Interest charges due from MLRME to BTHL from 01/01/18 to 31/03/18 (\$3,704.11)	2,646	2,646
Gross Interest charges due from MLRME to BTHL from 01/04/18 to 31/03/19	8,361	8,361
Gross Interest charges due from MLRME to BTHL from 01/04/19 to 31/03/20	4,968	4,968
Interest repayment from MRME (\$20,000)		(17,699)
MRME- towards loan repayment - \$10000		(7,874.02)
MRME- towards loan repayment - \$3470		(2,732.28)
MRME- towards loan repayment		(2,732.28)
MRME- towards loan repayment		(2,915.97)
MRME - loan repayment		(2,669.23)
MRME - loan repayment		(2,732.28)
MRME		(2,753.97)
MRME - \$3500 towards repayment of interest		(2,845.53)
MRME - \$3500 towards repayment of interest		(2,755.91)
MRME - Remittance of Earlier interest (US\$3500) - part payment	(593.43)	
MRME - Remittance of Earlier interest (US\$3500)	(2,573.53)	
MRME - Remittance of Earlier interest (US\$3500)	(2,592.59)	
MRME - Remittance of Earlier interest (US\$3500)	(2,611.94)	
FX Difference on retranslation of outstanding Balance as at 31 March 2026	6,762	46,945
BTHL: Interest on loans from MRAL		
Interest on loans from MRAL from Oct-24 to Dec-24 Gross \$23,131.57 less tax @15% \$3,469.74= Net US\$19,661.84		15,604.63
MRAL- Interest for Oct 2024 USD 7,710.41 less WHT USD 1156.56 and remitted USD 6,553.85		(5,243.08)
MRAL Interest for Nov 2024 USD 7710.41 less WHT USD 1156.56 and remitted USD 6,553.85		(5,080.50)
Interest on loans from MRAL from Jan-25 to March-25 - Gross \$21,700.11 less tax @15% \$3,255.02= Net US\$=18,445.09		14,298.52
Interest on loans from MRAL from Jan-26 to March-26 - Gross \$19,403.51 less tax @15% \$2,910.53= Net US\$=16,492.99	12,494.68	
FX Difference on re-translation of outstanding balances as at 31-03-2025		2,489.39
Compensation receivable from Government		
Others (Please specify)		
	96,253	175,555



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

15	EQUITY SHARE CAPITAL	31st March 2026	31st March 2025
		£	£
	Authorised		
	Equity Shares 500,000 of £1 each	500,000	500,000
	Issued, subscribed and paid-up		
	Equity Shares 252,000 of £1 each fully paid up	252,000	252,000
		252,000	252,000



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

16 Other Equity

	General Reserve	Securities Premium Account	Capital Reserve	Revaluation Reserve	Other Reserve	Share Redemption Reserve	Foreign Currency Translation Reserve	Surplus in Profit and Loss Statement	Total
Opening Balance	-	6,214,076	-	-	144,449	110,000	-	(4,862,660)	1,605,867
Profit for the year								(896,163)	(896,163)
Any other adjustment (specify)									
Balance at the end of the year	-	6,214,076	-	-	144,449	110,000	-	(5,758,823)	709,704

Note - I : For each kind of reserve, please specify the nature of reserve.

17 Non - controlling Interest - (i.e. Minority Interest)
(applicable for consolidated Borelli only)

	Total
Opeing balance	
Profit for the year	
Dividend	
Foreign exchange movement	
Closing Balance	



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

18 Non Current Borrowings

	Current Balance Sheet Date	Last Balance Sheet Date
	£	£
SECURED		
Term-Loans from Banks (Bank-wise detail)		
Note:- Also specify for each term-loan, the following detail:-		
a) Detail of security created/to be created		
b) Rate of interest		
c) Terms of repayment (dates and amounts)		
d) Currency in which the loan was originally availed		
UNSECURED		
Loans from Banks (Bank-wise detail)		
.....name of Bank/Institution		
Gross		
Less: Repayable within one year		
Finance Lease Obligations		
Note:- Also specify for each term-loan, the following detail:-		
a) Rate of interest		
b) Terms of repayment (dates and amounts)		
c) Currency in which the loan was originally availed		
Loans from group companies		
Gross		
Less: Repayable within one year		
a) Rate of Interest		
b) Terms of repayment (dates and amounts)		
c) Currency in which the loan was availed		
McLeod Russel Uganda Limited - US\$13,600,000 Loan (closing balance at the year end in US\$6,990,475.62)	5,295,815	5,418,973
	-	-
	5,295,815	5,418,973

Declaration :

We hereby confirm that borrowings from banks were used for the specific purpose for which these were taken,

Note: In case borrowings were not used for the specific purpose for which these were taken, please disclose the detail of where they have been used.



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)
19 Other Financial Liabilities

	Current Balance Sheet Date		Last Balance Sheet Date	
	£		£	
	Current	Non-Current	Current	Non-Current
Lease Liabilities				
Liability for capital expenditure				
Foreign Exchange Derivative Liabilities (Mark to Market)				
Liabilities payable to Employees				
Interest accrued but not due on borrowings - Group Company				
Interest due to MRUL from 01/1/19 to 31/03/19 - Gross \$24,691.78 less tax @20% \$4,938.36 = Net \$19,753.42	138,272.00		138,272.00	
Interest due to MRUL from 01/04/19 to 30/06/19 - Gross \$249,048.86 less tax @20% \$49,809.77 = Net \$199,239.09	156,881.17		156,881.17	
Interest due to MRUL from 01/07/19 to 30/09/19 - Gross \$293,229.66	242,418.25		242,418.25	
Interest due to MRUL from 01/10/19 to 31/12/19 - Gross \$302,017.70	184,438.29		184,438.29	
Interest due to MRUL from 01/01/20 to 31/03/20 - Gross \$211,552.88	136,485.73		136,485.73	
Interest due to MRUL from 01/04/20 to 30/06/20 - Gross \$205,925.46	129,716.76		129,716.76	
Interest due to MRUL from 01/07/20 to 30/09/20 - Gross \$192,617.32	118,533.74		118,533.74	
Interest due to MRUL from 01/10/20 to 31/12/20 - Gross \$181,824.18	111,891.80		111,891.80	
Interest due to MRUL from 01/01/21 to 31/03/21 - Gross \$173,037.67	101,043.89		101,043.89	
Interest due to MRUL from 01/04/21 to 30/06/21 - Gross \$164,969.64 - (Net US\$)	98,237.42		98,237.42	
Interest due to MRUL from 01/07/21 to 30/09/21 - Gross \$165,775.66 - (Net -US\$132,620.53)	97,824.25		97,824.25	
Interest due to MRUL from 01/10/21 to 31/12/21 (Gross \$158,103.12 - Net \$126,482.50)	93,690.74		93,690.74	
Interest due to MRUL from 01/01/22 to 31/03/22 (Gross \$150,828.65 - Net \$120,662.92)	92,109.10		92,109.10	
Interest due to MRUL from 01/04/22 to 30/06/22 (Gross \$147,249.32 less tax \$29,449.86 - Net \$117,799.50)	96,556.97		96,556.97	
Interest due to MRUL from 01/07/22 to 30/09/22 (Gross \$146,150.62 less tax \$29,230.12 - Net \$116,920.50)	107,266.51		107,266.51	
Interest due to MRUL from 01/10/22 to 31/12/22 (Gross \$140,999.002 less tax \$28,199.80 - Net \$112,799.22)	93,222.50		93,222.50	
Interest due to MRUL from 01/1/23 to 31/03/23 (Gross \$133,713.25 less tax \$26,742.65 - Net \$106,970.60)	86,266.61		86,266.61	
Interest due to MRUL from 01/04/23 to 30/06/23 (Gross \$130,361.91 less tax \$26,072.38 - Net \$103,461.83)	82,769.47		82,769.47	
Interest due to MRUL from 01/07/23 to 30/09/23 (Gross \$127,151.82 less tax \$25,430.36 - Net \$101,721.46)	83,378.24		83,378.24	
Interest due to MRUL from 01/10/23 to 31/12/23 (Gross \$123,338.77 less tax \$24,667.75 - Net \$98,671.02)	77,693.71339		77,693.71339	
Interest due to MRUL from 01/01/24 to 31/03/24 (Gross \$121,998.14 less tax \$24,399.63 - Net \$97,598.51)	77,459.14		77,459.14	
Interest due to MRUL from 01/04/24 to 30/06/24 (Gross \$121,998.14 less tax \$24,399.63 - Net \$97,598.51)	77,459.14		77,459.14	
Interest due to MRUL from 01/07/24 to 30/09/24 (Gross \$123,338.77 less tax \$24,667.75 - Net \$98,671.02)	73,635.09		73,635.09	
Interest due to MRUL from 01/10/24 to 31/12/24 (Gross \$123,338.77 less tax \$24,667.75 - Net \$98,671.02)	78,310.33		78,310.33	
Interest due to MRUL from 01/01/25 to 31/03/25 (Gross \$120,657.50 less tax \$24,131.50 - Net \$96,526)	74,826.36		74,826.36	
Interest charges due from Borelli to MRUL 01/04/25 to 30/06/25 - Gross \$121,998.14 less tax @24,399.63 = \$97,598.51	71,239.79			
Interest due to MRUL from 01/07/25 to 30/09/25 (Gross \$123,338.77 less tax \$24,667.75 - Net \$98,671.02)	73,635.09			
Interest due to MRUL from 01/10/25 to 31/12/25 (Gross \$123,338.77 less tax \$24,667.75 - Net \$98,671.02)	73,089.64			
Interest due to MRUL from 01/01/26 to 31/03/26 (Gross \$120,657.50 less tax \$24,131.50 - Net \$96,526)	73,125.76			
Fx Difference on retranslation of outstanding Balance as at 31 March 2026	(11,721.73)		(22,393.29)	
Others (Specify)	2,989,756	-	2,687,994	-

Internal Note:

Please specify against each of the above whether there is any liability payable to any group-company.

20 Provision for post-retirement employee-benefits	Current Balance Sheet Date		Last Balance Sheet Date	
	£		£	
	Current	Non-Current	Current	Non-Current
-Gratuity				
-Pension				
-Medical				
Other Employee-benefits (Please Specify)				
	-	-	-	-
21 Other Provisions	Current Balance Sheet Date		Last Balance Sheet Date	
	£		£	
	Current	Non-Current	Current	Non-Current
Provision for mark to market losses on derivatives				
Others (specify nature)				
	-	-	-	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

22	DEFERRED TAX LIABILITIES (NET)	Current Balance Sheet Date £	Last Balance Sheet Date £
A. Deferred Tax Liability arising due to			
	Difference between net book value of depreciable capital assets		
i)	(Property, Plant & Equipment) as per books vis-à-vis written down value as per tax laws		64,186.00
ii)	Others (specify nature)		
	Sub-total (A)		64,186.00
B. Deferred Tax Assets arising due to			
i)	Items allowed for tax purpose after actual payment	-	-
ii)	Provision for Doubtful Debts, Advances etc.	-	-
iii)	Tax-losses available for set-off against future income	-	-
iv)	Others (Specify nature)	-	-
	Sub-total (B)	-	-
	Net Deferred Tax Liabilities (A-B)	-	64,186.00

Please give movement in Deferred Tax Liabilities (Net) in following table :

	Property, Plant & Equipment	Tax-losses available for set-off against future income	Items Allowed for Tax-purpose on payment	Provision for Doubtful Debts, Advances etc	Others Items	Total
Opening Balance						
Charged/Credited to :						
Profit & Loss Statement						
Others Comprehensive Income						
Closing Balance						



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

23 Other Non - Current Liabilities	Current Balance Sheet Date	Last Balance Sheet Date
	£	£
Deferred revenue arising from Government grants	-	-
Others (Please Specify)		
	-	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

24 CURRENT BORROWINGS

	Current Balance Sheet Date £	Last Balance Sheet Date £
Secured Loans repayable on demand from Banks		
Cash Credit, Export Credit and Demand Loans (Note-I)		
(Give detail of Security Created / to be Created)		
Unsecured Loans		
Unsecured Loans from group companies (specify name) (Note-2)		
Unsecured Loans from banks (specify name)(Note-2)		
Current maturities of long-term debts		
- payable to banks / institutions (Item-wise, specify names)		
- payable to group companies (specify name)		
	-	-

Note-1: Specify currency of loan, and rate of interest

Note-2: Specify currency of loan, rate of interest, and terms of repayment (dates and amount)

Declarations :

We hereby confirm that borrowings from banks were used for the specific purpose for which these were taken,

We hereby confirm that as on the Balance-Sheet date, there were no defaults in repayment of borrowings and interest.

25 TRADE PAYABLES

	Current Balance Sheet Date £	Last Balance Sheet Date £
Due to Group-Companies (Specify names)		
Due to Others		
	-	-

Aging of 'Trade Payable' :

Outstanding from due-dates:

Less than 6 months

6 months to 1 year

1 year to 2 years

2 year to 3 years

More than 3 years

Total (should agree with above totals)

Current Balance Sheet Date	Last Balance Sheet Date
-------------------------------	----------------------------

Note-1 : Where no due-date is specified, disclosure should be from date of transaction.

Note-2: For disputed trade-payable, please inform original due-dates for each of such receivable.

26 Current Tax Liabilities (Net)

	Current Balance Sheet Date £	Last Balance Sheet Date £
Provision for Income Tax		
Less: Advance Tax		
Less: Withholding Tax Recoverable		
	-	-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Current Balance Sheet Date £	Last Balance Sheet Date £
27 Other Current Liabilities		
Accruals - FM fees	24,000.00	20,000.00
Amounts due to Others		
UK tax deducted at source on interest payable to MRUL Jan-19 to Mar-19 (Payable to tax authorities - HMRC)	34,568	34,568
UK tax deducted at source on interest payable to MRUL April-19 to June-19 (Payable to tax authorities - HMRC)	39,220	39,220
UK tax deducted at source on interest payable to MRUL July-19 to Sept-19 (Payable to tax authorities - HMRC)	60,605	60,605
UK tax deducted at source on interest payable to MRUL Oct-19 to Dec-19 (Payable to tax authorities - HMRC)	46,110	46,110
UK tax deducted at source on interest payable to MRUL Jan-20 to Mar-20 (Payable to tax authorities - HMRC)	34,121	34,121
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/04/20 to 30/06/20	32,429	32,429
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/07/20 to 30/09/20	29,633	29,633
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/10/20 to 31/12/20	27,973	27,973
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/01/21 to 31/03/21	25,261	25,261
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/04/21 to 30/06/21	24,456	24,456
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/07/21 to 30/09/21	24,559	24,559
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/10/21 to 31/12/21	23,423	23,423
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/1/22 to 31/03/22	23,021	23,021
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/4/22 to 30/06/22	24,139	24,139
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/7/22 to 30/09/22	26,817	26,817
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/7/22 to 30/09/22	23,306	23,306
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/01/23 to 31/03/23	21,567	21,567
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/4/23 to 30/06/23	20,692	20,692
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/7/23 to 30/09/23	20,845	20,845
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/10/23 to 31/12/23	19,423	19,423
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/01/24 to 31/03/24	19,365	19,365
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/04/24 to 30/06/24	19,364.78	19,364.78
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/07/24 to 30/09/24	18,408.77	18,408.77
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/10/24 to 31/12/24	19,577.58	19,577.58
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/01/25 to 31/03/25	18,706.59	18,706.59
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/04/25 to 30/06/25	17,809.95	
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/07/25 to 30/09/25	18,408.77	
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/10/25 to 31/12/25	18,272.41	
UK tax deducted at source on interest payable to MRUL due to HMRC from 01/01/2026 to 31/03/26	18,281.44	
	774,363	697,591



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Current Balance Sheet Date	Last Balance Sheet Date
	£	£
28 REVENUE FROM OPERATIONS		
Sale of Products - Tea		
Sale of Services - Consultancy Fees		
- Royalty		
Other Operating Revenues		
Rebate of Excise Duty , VAT etc		
Others (specify nature)		
BTHL:License fee income from McLeod Russell Uganda Limited	-	-
	-	-

Internal Notes:

- 1) In the above schedule, please specify against each line item the quantity and value of sales made to any group-company.
- 2) Please specify against each line item the income from any group company.

29 OTHER INCOME		
Interest Income (Gross)		
On Deposits		
On Group Company Loans		
BTHL : Interest Receivable from MRAL Apr - Dec	47,031	57,322
BTHL : Interest Receivable from MRAL Jan- Mar	14,700	16,822
On Tax Refunds		
Dividend on Long Term Trade Investments		
From Subsidiary Company		
From Others		
Insurance Claims		
Sundry Income		
Profit (net) on Disposal of Property, Plant & Equipment		
Profit on Compulsory acquisition of Land by Government		
Profit on Sale of Investments		
Liabilities no Longer Required, Written Back		
Provision for Doubtful Debt, no Longer Required Written Back		
Gain on financial assets at Fair value through P&L account	-	-
Net Gain on Foreign Currency Transaction and Translation		
- Actually Received		
- Translation Gain / (loss)		
Changes in fair value of biological asset (i.e. unharvested leaf lying on tea-bushes) (Refer Note 10)		
Others (specify nature)		
(Gain)/loss on disposal of Pfunda and Gisovu		
BTHL - Rental Income - Property in Gisovu	4,318	26,792
	66,049	100,936

Internal Note:

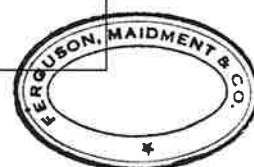
- 1) Exceptional/Non-recurring income should be shown separately with brief descriptions.
- 2) Please specify against each line item the income from any group company

30 DERECASE/(INCREASE) IN INVENTORY OF GREEN LEAF (i.e. leaf plucked/purchased but not yet convrted to Tea)

Stock of Green Leaf at beginning of the year		
Less: Closing Stock of Green Leaf at end of the year		
(Increase)/Decrease		
	-	-

Internal Note:

- 1) Please ensure that opening stock of current year agrees with closing stock of last year
- 2) The stock above must agree with the stock shown in Note-9



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

		Current Balance Sheet Date	Last Balance Sheet Date
		£	£
31	CHANGES IN INVENTORIES OF FINISHED GOODS		
	Stock of Tea at the beginning of the year		
	Less: Stock of Tea at the end of the year		
	(Increase)/Decrease		
		-	-
Internal Note: 1) Please ensure that opening stock of current year agrees with closing stock of last year 2) The stock above must agree with the stock shown in Note-9			
		Current Balance Sheet Date	Last Balance Sheet Date
		£	£
32	EMPLOYEE BENEFITS EXPENSE		
	Salaries and Wages		
	Contribution to Provident and Other Funds		
	Labour and Staff Welfare		
		-	-
Internal Note: 1) Exceptional/Non-recurring expenditure should be shown separately with full description.			
		Current Balance Sheet Date	Last Balance Sheet Date
		£	£
33	FINANCE COSTS		
	Interest Expense		
	On Fixed Loans		
	BTHL: Interest on Bank Loans		
	On Intercompany group loans		
	BTHL:McLeod Russel Uganda Limited (Subsidiary company) Apr - Dec	272,456	286,756
	BTHL:McLeod Russel Uganda Limited (Subsidiary company)Jan - Mar	91,407	93,533
	Other Borrowing Costs		
		363,863	380,289
	* Includes ----- on Leases		
Internal Note: Please specify against each line item, the interest to any group company			
		Current Balance Sheet Date	Last Balance Sheet Date
		£	£
34	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation on Tangible Fixed Assets *		
	Amortisation of Goodwill		
	Amortisation of Patents and Licences	58,205	58,218
		58,205	58,218



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

35	OTHER EXPENSES	Current Balance Sheet Date	Last Balance Sheet Date
		£	£
	Consumption of Stores and Spare Parts	-	-
	Consumption of Packing Materials	-	-
	Power and Fuel	-	-
	Rent	-	-
	Lease Rent	-	-
	Repairs - Buildings	-	-
	- Plant & Machinery	-	-
	- Others	-	-
	Insurance	-	-
	Rates and Taxes	-	-
	Excise Cess on Tea manufactured	-	-
	Cess on Green Leaf	-	-
	Travelling	-	-
	Legal and Professional Fees	40,802	51,668
	Freight, Shipping and Selling Expenses	-	-
	Brokerage on Sales	-	-
	Selling Agents' Commission	-	-
	Auditors' Remuneration	25,000	25,000
	Royalty Fee	-	-
	Management Fee	60,000	60,000
	Loss (Net) on Disposal of Property, Plant & Equipment	74,351	-
	Bank charges	975	648
	Gain on disposal of 100% shares of Phu Ben (subsidiary)	-	-
	Provision against receivable from MRIL	131,579	-
	Any other Write Off (Specify)(net of pre-existing provision)	-	-
	Provision for Doubtful Debts	-	-
	Any other Provision made (Specify)	-	-
	Foreign currency losses/(gains) - Realised	7,471	(840)
	Retranslation of loan with group companies - Unrealised	(46,030)	(155,754)
	Net Loss on foreign exchange:-		
	- Actually Paid	-	-
	- Translation Loss (Mark to market)	-	-
	Miscellaneous Expenses [see internal note - (a)]	160	3,366
		294,308	(15,912)

Internal Notes:

- a) Any item under which the expenditure exceeds 1% of the total revenue from operations (i.e. Sale of Goods and Other Operating Income) should be shown as a separate item.
- b) Exceptional/Non-recurring expenditure should be shown separately with brief description
- c) In the above schedule, specify against each line item the expenditure due to purchase of goods/services from any group-company.
- d) Foreign exchange translation-loss (mark to market) must agree with the detail given in descriptive note under the head "Mark to market losses provided for"
- e) Borelli, in its consolidated accounts, should give Note - "35A" giving Company-wise break-up and consolidation-adjustments



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

	Current Balance Sheet Date		Last Balance Sheet Date	
	£	£	£	£
35B	Exceptional Item			
		-		-
		-		-



BORELLI TEA HOLDINGS LIMITED
Notes to Financial Statements (Contd.)

36 (a) Income tax Expense	Current Year £	Previous Year £
<u>Current Tax</u>		
Current tax on profits for the year		
Withholding tax suffered on Royalty, Management and Rental Income	648	4,019
Withholding tax suffered on Dividend and Interest Received	9,280	11,122
Foreign tax -current period	9,920	
Foreign tax - prior period	225,988	
Adjustments for current tax of prior periods	-	-
Tax suffered on disposal of investments in MRIL	-	-
Sub-Total	245,836	15,141
<u>Deferred Tax</u>		
Decrease / (increase) in deferred tax assets		
(Decrease) / increase in deferred tax liabilities		
Sub-Total	-	-
Total	245,836	15,141

Internal Note: This must agree with "Total Tax Expense" appearing in Statement of Profit & loss

(b) Reconciliation of tax expense and the accounting profit multiplied by average tax rate:

	Current Year £	Previous Year £
Profit before income-tax	(650,327)	(64,916)
Average rate of Income Tax	25%	25%
Tax at average rate	(162,582)	(16,229)
Effects of :-		
Withholding-tax suffered		
Adjustment to tax-charge in respect of prior periods	-	-
Effect of expenses not deductible for tax-purposes		
Effect of non- taxable Gains	-	-
Effect of income not subject to tax	-	-
Adjustment for tax on losses	398,490	16,229
Withholding-tax suffered	9,928	15,141
Any Other items (Please Specify)		
Income Tax Expense Total (See Internal Note Below)	245,836	15,141

Internal Note: This must agree with "Total Tax Expense" appearing in Statement of Profit & loss

37 OTHER COMPREHENSIVE INCOME (Net of Tax)	Current Year £	Previous Year £
Gain or Loss on		
a) Items that will not be reclassified to Profit or Loss :		
(i) Re-measurement of post-employment defined-benefit obligations		
Less : Tax on above		
(ii) Fair Value gain/loss on Equity-instruments/ Investments		
Less : Tax on above		
(iii) Any other item (please specify)		
Less : Tax on above		
b) Items that will be reclassified to Profit or Loss :		
(i) Exchange difference on translation of foreign operations		
Investment property fair value adjustment		256,744
	-	256,744

