

BATISTE UNLIMITED

REPORT AND FINANCIAL STATEMENTS

31 March 2010

BATISTE UNLIMITED

REPORT AND FINANCIAL STATEMENTS 31 March 2010

CONTENTS	PAGE
Board of Directors and other Officers	1
Report of the Board of Directors	2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 - 12
Additional information to the statement of comprehensive income	13 - 15

BATISTE UNLIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Kamalkant Gupta Resigned on 5 April 2010 Stelios Savvides Appointed on 4 February 2010 Eva Agathangelou Appointed on 4 February 2010
Company Secretary:	LTS Secretaries Limited
Independent Auditors:	PKF Savvides & Co Ltd Certified Public Accountants 229 Arch. Makarios Avenue Meliza Court 4th,5th & 6th Floor 3105 Limassol
Registered office:	First Floor 17 the Esplanade St Helier JE4 5XQ Jersey
Banker:	Icici Bank Limited,Hong Kong
Registration number:	99468

BATISTE UNLIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 March 2010.

Incorporation

The Company Batiste Unlimited was incorporated in Jersey, Channel Islands on 6 December 2007 as unlimited liability company.

Principal activities

The principal activities of the Company are the consultancy services and acquisition of investments.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Results

The Company's results for the year are set out on page 5.

Dividends

The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital

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

Board of Directors

The members of the Company's Board of Directors as at 31 March 2010 and at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Independent Auditors

The independent auditors, PKF Savvides & Co Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Eva Agathangelou
Director

Limassol , 6 July 2010

Independent Auditor's Report

To the Members of Batiste Unlimited

Report on the Financial Statements

We have audited the financial statements of Batiste Unlimited (the "Company") on pages 5 to 12, which comprise the statement of financial position as at 31 March 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report (continued)

To the Members of Batiste Unlimited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Batiste Unlimited as at 31 March 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

PKF Savvides & Co Ltd

PKF Savvides & Co Ltd
Certified Public Accountants

Limassol, 6 July 2010

BATISTE UNLIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2010

	Note	2010 US\$	2009 US\$
Revenue	3	108.000	95.831
Administration expenses		<u>(4.641)</u>	<u>(5.450)</u>
Operating profit		103.359	90.381
Finance costs	4	<u>(1.982)</u>	-
Net profit for the year		101.377	90.381
Other comprehensive income		-	-
Total comprehensive income for the year		<u>101.377</u>	<u>90.381</u>

The notes on pages 9 to 12 form an integral part of these financial statements.


BATISTE UNLIMITED

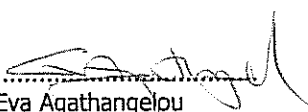
STATEMENT OF FINANCIAL POSITION

31 March 2010

	Note	2010 US\$	2009 US\$
ASSETS			
Non-current assets			
Investments	5	<u>552.807.192</u>	<u>527.572.992</u>
		552.807.192	527.572.992
Current assets			
Trade and other receivables	6	751.736	750.035
Deferred expenditure	7	15.017.018	7.581.808
Cash at bank and in hand		<u>443.433</u>	<u>94.957</u>
		16.212.187	8.426.800
Total assets		<u>569.019.379</u>	<u>535.999.792</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	2	2
Retained earnings		<u>186.308</u>	<u>84.931</u>
Total equity		<u>186.310</u>	<u>84.933</u>
Non-current liabilities			
Borrowings	9	<u>513.396.594</u>	<u>500.000.000</u>
		513.396.594	500.000.000
Current liabilities			
Trade and other payables	10	<u>55.436.475</u>	<u>35.914.859</u>
		55.436.475	35.914.859
Total liabilities		<u>568.833.069</u>	<u>535.914.859</u>
Total equity and liabilities		<u>569.019.379</u>	<u>535.999.792</u>

On 6 July 2010 the Board of Directors of Batiste Unlimited authorised these financial statements for issue.


.....
Stelios Savvides
Director


.....
Eva Agathangelou
Director

The notes on pages 9 to 12 form an integral part of these financial statements.

BATISTE UNLIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 March 2010

	Share capital US\$	Retained earnings US\$	Total US\$
Balance - 1 April 2008	2	(5.450)	(5.448)
Net profit for the year	-	90.381	90.381
Balance at 31 March 2009/ 1 April 2009	2	84.931	84.933
Net profit for the year	-	101.377	101.377
Balance at 31 March 2010	2	186.308	186.310

The notes on pages 9 to 12 form an integral part of these financial statements.

BATISTE UNLIMITED

CASH FLOW STATEMENT

Year ended 31 March 2010

	2010 US\$	2009 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	<u>101.377</u>	<u>90.381</u>
Cash flows from operations before working capital changes	101.377	90.381
Increase in trade and other receivables	(1.701)	(750.035)
Increase in trade and other payables	<u>19.521.616</u>	<u>26.335.451</u>
Net cash flows from operating activities	<u>19.621.292</u>	<u>25.675.797</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in associated undertakings	(25.234.200)	(28.435.559)
Deferred expenditure	<u>(7.435.210)</u>	<u>2.036.322</u>
Net cash flows used in investing activities	<u>(32.669.410)</u>	<u>(26.399.237)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	<u>13.396.594</u>	-
Net cash flows from financing activities	<u>13.396.594</u>	-
Net increase / (decrease) in cash and cash equivalents	348.476	(723.440)
Cash and cash equivalents:		
At beginning of the year	<u>94.957</u>	<u>818.397</u>
At end of the year	<u>443.433</u>	<u>94.957</u>

The cash and cash equivalents include the following:

	2010 US\$	2009 US\$
Cash at bank and in hand	<u>443.433</u>	<u>94.957</u>
	<u>443.433</u>	<u>94.957</u>

The notes on pages 9 to 12 form an integral part of these financial statements.

BATISTE UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

1. Incorporation and principal activities

Country of incorporation

The Company Batiste Unlimited (the "Company") was incorporated in Jersey, Channel Islands on 6 December 2007 as a private company with unlimited liability. Its registered office is at First Floor, 17 the Esplanade, St Helier, JE4 5XQ Jersey.

Principal activities

The principal activities of the Company are the consultancy services and acquisition of investments.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2009. This adoption did not have a material effect on the accounting policies of the Company.

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

Revenue recognition

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

- **Consultancy fees received**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

BATISTE UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

2. Accounting policies (continued)

Finance costs

Interest expense and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Foreign currency translation

- (1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.
- (2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Investments

Investments are shown at cost or fair value whichever is lower.

Expenses incurred on the purchase of investments has been included in the cost of investments.

Borrowings

Borrowings are recorded initially at the proceeds received.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the statement of financial position date.

3. Revenue

	2010	2009
	US\$	US\$
Consultancy fees received	<u>108.000</u>	<u>95.831</u>
	<u>108.000</u>	<u>95.831</u>

4. Finance costs

	2010	2009
	US\$	US\$
Other finance expenses	<u>1.982</u>	-
	<u>1.982</u>	-

BATISTE UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

5. Investments

	2010 US\$	2009 US\$
On 1 April	527,572,992	499,137,433
Additions	25,234,200	28,435,559
Balance at 31 March	552,807,192	527,572,992

6. Trade and other receivables

	2010 US\$	2009 US\$
Deposits and prepayments	1,702	-
Other receivables	750,034	750,035
	751,736	750,035

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

7. Deferred expenditure

	2010 US\$	2009 US\$
On 1 April	7,581,808	9,618,130
Payments during the year	13,300,000	-
Amount written off	(5,864,790)	(2,036,322)
Balance at 31 March	15,017,018	7,581,808

Deferred expenditure relates to bank fees which are written off over a period of 5 years.

8. Share capital

	2010 Number of shares	2010 US\$	2009 Number of shares	2009 US\$
Authorised				
525,000,000 Ordinary shares of US\$1 each	<u>525,000,000</u>	<u>525,000,000</u>	<u>525,000,000</u>	<u>525,000,000</u>
Issued and fully paid				
On 1 April	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Balance at 31 March	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

9. Borrowings

	2010 US\$	2009 US\$
Non current borrowings		
Bank loans secured	390,000,000	500,000,000
Other loans	123,396,594	-
	513,396,594	500,000,000

BATISTE UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

10. Trade and other payables

	2010	2009
	US\$	US\$
Accruals	5,091,509	5,269,893
Other payables	<u>50,344,966</u>	<u>30,644,966</u>
	<u>55,436,475</u>	<u>35,914,859</u>

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

11. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2010.

12. Commitments

The Company had no capital or other commitments as at 31 March 2010.

13. Events after the reporting period

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

Independent Auditor's Report pages 3 and 4

BATISTE UNLIMITED

DETAILED INCOME STATEMENT

Year ended 31 March 2010

	Page	2010 US\$	2009 US\$
Revenue			
Consultancy fees received		108.000	95.831
Operating expenses			
Administration expenses	14	<u>(4.641)</u>	<u>(5.450)</u>
Operating profit		103.359	90.381
Finance costs	15	<u>(1.982)</u>	<u>-</u>
Net profit for the year before tax		<u>101.377</u>	<u>90.381</u>

BATISTE UNLIMITED

OPERATING EXPENSES

Year ended 31 March 2010

	2010	2009
	US\$	US\$
Administration expenses		
Auditors' remuneration	4.641	5.450
Arrangement fees and other expenses written off	5.864.791	2.036.321
Agency fees	-	20.000
Recovery of expenses	(5.864.791)	(2.058.597)
Trustees fees	-	2.276
	<u>4.641</u>	<u>5.450</u>

BATISTE UNLIMITED

FINANCE COSTS

Year ended 31 March 2010

	2010 US\$	2009 US\$
Finance costs		
Loan interest	19.369.246	26.376.962
Recovery of expenses	(19.369.246)	(26.376.962)
Other finance expenses		
Bank charges	2.145	-
Recovery of expenses	(163)	-
	<u>1.982</u>	<u>-</u>