



Ngon Coffee Company Limited

Financial Statements for the year ended
31 March 2020

**Ngon Coffee Company Limited
Corporate Information**

Investment Certificate No. 401043000062

3 February 2009

The Company's Investment Certificate has been amended several times, the most recent of which is by the Investment Certificate No. 401043000062 dated 25 April 2015. The Investment Certificate and its amendments were issued by the People's Committee of Dak Lak province and are valid for 50 years from the date of the initial Investment Certificate.

**Business Registration
Certificate No.**

6000916516

3 February 2009

The Company's Business Registration Certificate has been amended several times, the most recent of which is by the Business Registration Certificate No. 6000916516 dated 11 October 2018. The Company's Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Dak Lak Province.

Members' Council

Mr. Challa Rajendra Prasad	Chairman
Mr. Challa Srishant	Member
Mr. Aluri Chandra Sekhara Rao	Member
Mr. Bandi Mohan Krishna	Member
Mr. Vipin K Singal	Member

Board of Directors

Mr. Challa Srishant	General Director
Mr. Aluri Chandra Sekhara Rao	Deputy General Director
Mr. Naga Bhairava Sudhakar	Deputy General Director (from 30 October 2019)

Registered Office

Cu Kuin Industrial Complex,
Dray Bhang Commune,
Cu Kuin District,
Dak Lak Province,
Vietnam

Auditor

KPMG Limited
Vietnam

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KPMG Limited Branch
10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Investors Ngon Coffee Company Limited

We have audited the accompanying financial statements of Ngon Coffee Company Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 21 April 2020, as set out on pages 5 to 25.

Management's Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's 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.



Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Ngon Coffee Company Limited as at 31 March 2020 and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City
Vietnam

Audit Report No.: 20-01-00037-20-1



Chang Hung Chun
Practicing Auditor Registration
Certificate No. 0863-2018-007-1
Deputy General Director

Nguyen Anh Tuan
Practicing Auditor Registration
Certificate No. 0436-2018-007-1

Ho Chi Minh City, 21 April 2020

Ngon Coffee Company Limited
Balance sheet as at 31 March 2020

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/3/2020 VND	1/4/2019 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		437,654,195,633	616,425,936,258
Cash and cash equivalents	110	4	44,762,212,609	181,204,699,101
Cash	111		44,762,212,609	96,204,699,101
Cash equivalents	112		-	85,000,000,000
Accounts receivable – short-term	130		232,715,867,489	309,629,102,142
Accounts receivable from customers	131	5	162,339,758,289	307,802,340,896
Prepayments to suppliers	132	6	69,590,575,008	1,396,304,409
Other receivables	136		785,534,192	430,456,837
Inventories	140	7	159,952,816,572	125,323,423,015
Other current assets	150		223,298,963	268,712,000
Short-term prepaid expenses	151		223,298,963	268,712,000
Long-term assets (200 = 220 + 240 + 260)	200		346,510,315,415	410,111,819,113
Fixed assets	220		343,350,410,313	408,037,303,665
Tangible fixed assets	221	8	343,350,410,313	408,037,303,665
Cost	222		758,295,550,776	758,589,161,205
Accumulated depreciation	223		(414,945,140,463)	(350,551,857,540)
Long-term work in progress	240		1,674,213,952	-
Construction in progress	242	9	1,674,213,952	-
Other long-term assets	260		1,485,691,150	2,074,515,448
Long-term prepaid expenses	261	10	1,485,691,150	2,074,515,448
TOTAL ASSETS (270 = 100 + 200)	270		784,164,511,048	1,026,537,755,371

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Balance sheet as at 31 March 2020 (continued)

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/3/2020 VND	1/4/2019 VND
RESOURCES				
LIABILITIES (300 = 310)	300		6,144,377,768	3,050,330,235
Current liabilities	310		6,144,377,768	3,050,330,235
Accounts payable to suppliers	311	11	1,389,537,566	1,169,148,495
Taxes payable to State Treasury	313	12	1,699,926,747	1,099,937,295
Payables to employees	314		981,425,461	15,182,309
Accrued expenses	315	13	1,894,419,335	676,985,406
Other payables	319		179,068,659	89,076,730
EQUITY (400 = 410)	400		778,020,133,280	1,023,487,425,136
Owner's equity	410	14	778,020,133,280	1,023,487,425,136
Contributed capital	411	15	530,000,000,000	344,564,633,286
Retained profits	421		248,020,133,280	678,922,791,850
- Retained profits brought forward	421a		68,000,125,136	456,846,466,608
- Net profit for the current year	421b		180,020,008,144	222,076,325,242
TOTAL RESOURCES (440 = 300 + 400)	440		784,164,511,048	1,026,537,755,371


21 April 2020

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Naga Bhairava Sudhakar
Deputy General Director

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Statement of income for the year ended 31 March 2020

Form B 02 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	For the year ended	
			31/3/2020 VND	31/3/2019 VND
Revenue from sales of goods	01	18	869,870,534,766	896,938,535,431
Revenue deductions	02	18	3,782,206,455	-
Net revenue (10 = 01 - 02)	10	18	866,088,328,311	896,938,535,431
Cost of sales	11	19	662,947,618,354	659,421,988,098
Gross profit (20 = 10 - 11)	20		203,140,709,957	237,516,547,333
Financial income	21	20	7,342,830,772	10,976,816,383
Financial expenses	22	21	239,711,077	850,121,196
<i>In which: Interest expense</i>	23		-	401,189,286
Selling expenses	25	22	20,024,501,016	15,012,772,365
General and administration expenses	26	23	7,177,299,394	6,980,699,136
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		183,042,029,242	225,649,771,019
Other income	31		89,333,728	72,461,132
Other expenses	32		2,313,957,565	1,942,955,356
Results of other activities (40 = 31 - 32)	40		(2,224,623,837)	(1,870,494,224)
Accounting profit before tax (50 = 30 + 40)	50		180,817,405,405	223,779,276,795
Income tax expense – current	51	25	797,397,261	1,702,951,553
Income tax expense – deferred	52	25	-	-
Net profit after tax (60 = 50 - 51 - 52)	60		180,020,008,144	222,076,325,242

Prepared by:

Aluri Chandra Sekhara Rao
 Deputy General Director



Approved by:

Naga Bhairava Sudhakar
 Deputy General Director

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Statement of cash flows for the year ended 31 March 2020 (Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	For the year ended	
			31/3/2020 VND	31/3/2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES				
Accounting profit before tax	01		180,817,405,405	223,779,276,795
Adjustments for				
Depreciation	02		64,866,454,157	62,581,695,382
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04		(2,114,480,184)	(825,079,897)
Losses from investing activities	05		78,746,577	-
Interest income	05		(4,162,361,313)	(8,025,635,885)
Interest expense	06		-	401,189,286
Operating profit before changes in working capital	08		239,485,764,642	277,911,445,681
Change in receivables	09		147,682,808,241	(82,992,460,615)
Change in inventories	10		(34,629,393,557)	(13,689,312,006)
Change in payables and other liabilities	11		4,046,063,558	(7,838,129,980)
Change in prepaid expenses	12		946,269,046	(1,378,481,188)
			357,531,511,930	172,013,061,892
Interest paid	14		-	(497,754,626)
Income tax paid	15		(1,104,891,286)	(1,336,185,094)
Net cash flows from operating activities	20		356,426,620,644	170,179,122,172
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(72,611,871,960)	(2,802,363,686)
Proceeds from disposals of fixed assets	22		800,000,000	-
Receipts of interests	27		4,319,051,724	7,868,945,474
Net cash flows from investing activities	30		(67,492,820,236)	5,066,581,788

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited

Statement of cash flows for the year ended 31 March 2020 (Indirect method – continued)

Form B 03 – DN

(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	For the year ended	
			31/3/2020 VND	31/3/2019 VND
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments to settle loan principals	34		-	(9,128,000,000)
Payments of profits distribution	36		(425,487,300,000)	(96,147,057,450)
Net cash flows from financing activities	40		(425,487,300,000)	(105,275,057,450)
Net cash flows during the year (50 = 20 + 30 + 40)	50		(136,553,499,592)	69,970,646,510
Cash and cash equivalents at beginning of the year	60		181,204,699,101	110,698,499,025
Effect of exchange rate fluctuations on cash and cash equivalents	61		111,013,100	535,553,566
Cash and cash equivalents at end of the year (70 = 50 + 60 + 61)	70	4	44,762,212,609	181,204,699,101


21 April 2020

Prepared by:


Aluri Chandra Sekhara Rao
Deputy General Director



Approved by:


Naga Bhairava Sudhakar
Deputy General Director

The accompanying notes are an integral part of these financial statements

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

(a) Ownership structure

Ngon Coffee Company Limited (“the Company”) is incorporated as a limited liability company in Vietnam.

(b) Principal activities

The principal activities of the Company are to manufacture instant coffee and trade materials, fuels and kinds of instant coffee for processing.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) Company structure

As at 31 March 2020, the Company had 178 employees (1/4/2019: 170 employees).

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 April to 31 March.

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statements presentation purposes.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items in the ordinary course of business, less the estimated costs of completion and direct selling expenses.

The Company applies the perpetual method of accounting for inventories.

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

(e) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs, maintenance and overhaul costs, is normally charged to statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 - 25 years
▪ machinery and equipment	10 years
▪ motor vehicles	5 years
▪ office equipment	5 years

(f) Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(g) Long-term prepaid expenses

Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from 2 to 3 years.

(h) Trade and other payables

Trade and other payables are stated at their cost.

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
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(i) Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(j) Contributed capital

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(k) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Revenue and other income

(i) Goods sold

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
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(ii) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(m) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(n) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalized as part of the cost of the assets concerned.

(o) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

4. Cash and cash equivalents

	31/3/2020 VND	1/4/2019 VND
Cash on hand	35,983,415	223,808,702
Cash in banks	44,726,229,194	95,980,890,399
Cash equivalents	-	85,000,000,000
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	44,762,212,609	181,204,699,101

Ngon Coffee Company Limited**Notes to the financial statements for the year ended 31 March 2020 (continued)****Form B 09 – DN***(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)***5. Accounts receivable from customers****Accounts receivable from customers detailed by significant customers**

	31/3/2020	1/4/2019
	VND	VND
Ground Up Coffee & Tea LLC	44,824,064,310	9,421,587,000
Mokate. Sp. Z.O.O	26,185,477,500	20,418,300,000
MTV TNI Co., Ltd	19,801,531,150	44,560,236,000
Opulency International Limited	14,058,896,544	184,562,936,076
Strauss Coffee B.V	11,995,826,220	30,094,532,370
Other customers	45,473,962,565	18,744,749,450
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	162,339,758,289	307,802,340,896
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6. Prepayments to suppliers

	31/3/2020	1/4/2019
	VND	VND
M/S.SSP PVT Limited	48,107,813,625	-
Peb Steel Buildings Co., Ltd	3,777,716,490	-
Hop Nhat Thanh Co., Ltd	3,168,715,680	-
Other suppliers	14,536,329,213	1,396,304,409
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	69,590,575,008	1,396,304,409
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7. Inventories

	31/3/2020	1/4/2019
	VND	VND
Outward goods on consignment	1,714,688,838	-
Raw materials	103,201,107,881	68,649,297,400
Tools and supplies	18,519,154,474	17,477,035,030
Work in progress	4,412,717,433	-
Finished goods	32,105,147,946	39,197,090,585
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	159,952,816,572	125,323,423,015
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Ngon Coffee Company Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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8. Tangible fixed assets

Cost	Buildings and structures VND	Machinery and equipment VND	Motor Vehicles VND	Office equipment VND	Total VND
Opening balance	174,964,722,638	579,705,708,659	1,860,016,363	2,058,713,545	758,589,161,205
Additions	-	669,220,200	-	-	669,220,200
Transfer from construction in progress (Note 9)	255,587,182	133,500,000	-	-	389,087,182
Disposals	-	(1,351,917,811)	-	-	(1,351,917,811)
Closing balance	175,220,309,820	579,156,511,048	1,860,016,363	2,058,713,545	758,295,550,776
Accumulated depreciation					
Opening balance	48,333,621,968	298,484,082,547	1,683,661,929	2,050,491,096	350,551,857,540
Charge for the year	6,831,140,324	57,931,215,428	95,875,956	8,222,449	64,866,454,157
Disposals	-	(473,171,234)	-	-	(473,171,234)
Closing balance	55,164,762,292	355,942,126,741	1,779,537,885	2,058,713,545	414,945,140,463
Net book value					
Opening balance	126,631,100,670	281,221,626,112	176,354,434	8,222,449	408,037,303,665
Closing balance	120,055,547,528	223,214,384,307	80,478,478	-	343,350,410,313

Included in the cost of tangible fixed assets were assets costing VND3,670 million which were fully depreciated as at 31 March 2020 (1/4/2019: VND3,670 million), but which are still in active use.

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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9. Construction in progress

	For the year ended	
	31/3/2020	31/3/2019
	VND	VND
Opening balance	-	45,623,986,352
Additions	2,375,332,845	4,508,731,823
Transfer to tangible fixed assets (Note 8)	(389,087,182)	(48,426,350,038)
Transfer to long-term prepaid expenses (Note 10)	(312,031,711)	(1,706,368,137)
	1,674,213,952	-
Closing balance	1,674,213,952	-

10. Long-term prepaid expenses

	Tools and instruments VND
Opening balance	2,074,515,448
Transfer from construction in progress (Note 9)	312,031,711
Amortisation for the year	(900,856,009)
	1,485,691,150
Closing balance	1,485,691,150

11. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers

	Cost and amount within payment capacity	
	31/3/2020	1/4/2019
	VND	VND
Bac Son Company Limited	1,022,592,958	757,020,000
Lan Khanh Imports Exports Company Limited	279,885,155	184,177,296
K Balaji	-	142,379,215
Other suppliers	87,059,453	85,571,984
	1,389,537,566	1,169,148,495
	1,389,537,566	1,169,148,495

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
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12. Taxes payable to State Treasury

	1/4/2019 VND	Incurred VND	Net-off VND	Paid VND	Reversed VND	31/3/2020 VND
Value added tax	733,170,836	21,786,512,476	(7,936,267,015)	(12,949,372,034)	-	1,634,044,263
Corporate income tax	366,766,459	797,397,261	-	(1,104,891,286)	(38,512,076)	20,760,358
Personal income tax	-	105,560,829	-	(100,641,689)	-	4,919,140
Foreign contractor tax	-	1,907,479,336	-	(1,867,276,350)	-	40,202,986
Other tax	-	836,263,169	-	(836,263,169)	-	-
	1,099,937,295	25,433,213,071	(7,936,267,015)	(16,858,444,528)	(38,512,076)	1,699,926,747

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

13. Accrued expenses

	31/3/2020	1/4/2019
	VND	VND
Transportation fees	1,130,000,000	200,000,000
Professional fees	333,922,000	333,922,000
Bonus	229,000,000	120,000,000
Others	201,497,335	23,063,406
	<hr/>	<hr/>
	1,894,419,335	676,985,406
	<hr/>	<hr/>

14. Changes in owner's equity

	Contributed capital	Retained profits	Total
	VND	VND	VND
Balance as at 1 April 2018	344,564,633,286	552,993,524,058	897,558,157,344
Profits distribution (Note 16)	-	(96,147,057,450)	(96,147,057,450)
Net profit for the year	-	222,076,325,242	222,076,325,242
	<hr/>	<hr/>	<hr/>
Balance as at 1 April 2019	344,564,633,286	678,922,791,850	1,023,487,425,136
Profits distribution (Note 16)	-	(425,487,300,000)	(425,487,300,000)
Net profit for the year	-	180,020,008,144	180,020,008,144
Convert retained profits to capital (*)	185,435,366,714	(185,435,366,714)	-
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2020	530,000,000,000	248,020,133,280	778,020,133,280
	<hr/>	<hr/>	<hr/>

(*) The Meeting of Members' Council of the Company on 14 February 2020 resolved to convert retained profits amounting to VND185,435 million to capital.

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

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15. Contributed capital

The Company's authorised and contributed charter capital is as follows:

	31/3/2020		31/3/2020		
	Authorised VND	USD equivalent	VND	Contributed USD equivalent	%
CCL Products (India) Limited, is incorporated in India	530,000,000,000	25,000,000	530,000,000,000	25,000,000	100%

	1/4/2019		1/4/2019		
	Authorised VND	USD equivalent	VND	Contributed USD equivalent	%
CCL Products (India) Limited, is incorporated in India	530,000,000,000	25,000,000	344,564,633,286	17,000,000	68%

16. Profits distribution

The Meeting of Members' Council of the Company on 11 June 2019 and 14 February 2020 resolved to distribute profits amounting to VND425,487 billion (2019: VND96,147 million).

Ngon Coffee Company Limited
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17. Off balance sheet items

(a) Lease

The future minimum lease payments under non-cancellable operating leases were as follows:

	31/3/2020	1/4/2019
	VND	VND
Within one year	9,995,940	9,995,940
Within two to five years	39,983,760	39,983,760
More than five years	351,523,890	361,519,830
	<hr/>	<hr/>
	401,503,590	411,499,530
	<hr/>	<hr/>

(b) Foreign currencies

	31/3/2020		1/4/2019	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	328,388	7,713,831,771	3,140,592	72,704,705,031
EUR	-	-	50	1,298,750
		<hr/>		<hr/>
		7,713,831,771		72,706,003,781
		<hr/>		<hr/>

(c) Capital expenditure commitments

At reporting date, the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/3/2020	1/4/2019
	VND	VND
Approved but not contracted	71,044,388,100	-
Approved and contracted	93,100,546,345	-
	<hr/>	<hr/>
	164,144,934,445	-
	<hr/>	<hr/>

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Notes to the financial statements for the year ended 31 March 2020 (continued)

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18. Revenue from sales of goods

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Total revenue		
▪ Sales of finished goods	856,091,654,766	888,187,085,911
▪ Sales of merchandise goods	13,778,880,000	8,751,449,520
	869,870,534,766	896,938,535,431
Less revenue deductions		
▪ Sales discounts	281,596,095	-
▪ Sales returns	3,500,610,360	-
	3,782,206,455	-
	866,088,328,311	896,938,535,431

19. Cost of sales

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Finished goods sold	648,682,786,354	652,066,287,078
Merchandise goods sold	14,264,832,000	7,355,701,020
	662,947,618,354	659,421,988,098

Ngon Coffee Company Limited
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20. Financial income

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Interest income from term deposits at banks	4,125,616,441	7,984,895,171
Interest income from current accounts	36,744,872	40,740,714
Realised foreign exchange gains	1,065,989,275	2,126,100,601
Unrealised foreign exchange gains	2,114,480,184	825,079,897
	7,342,830,772	10,976,816,383

21. Financial expenses

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Interest expense	-	401,189,286
Realised foreign exchange losses	239,711,077	448,931,910
	239,711,077	850,121,196

22. Selling expenses

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Transportation expenses	18,576,670,106	14,041,283,917
Sales commissions	798,232,789	517,354,501
Others	649,598,121	454,133,947
	20,024,501,016	15,012,772,365

Ngon Coffee Company Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

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23. General and administration expenses

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Staff costs	2,288,867,927	2,184,957,887
Depreciation	1,383,998,397	1,418,571,204
Taxes, fees and other charges	481,947,167	387,996,061
Outside services	1,249,476,499	1,430,639,753
Others	1,773,009,404	1,558,534,231
	7,177,299,394	6,980,699,136

24. Production and business costs by elements

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Raw material costs included in production costs and cost of merchandise goods	555,760,462,820	561,189,715,584
Labour costs and staff costs	17,891,923,567	15,654,783,066
Depreciation	64,866,454,157	62,581,695,382
Outside services	27,032,332,280	23,453,185,783
Other expenses	24,598,245,940	18,536,079,784

25. Income tax

(a) Reconciliation of effective tax rate

	For the year ended	
	31/3/2020 VND	31/3/2019 VND
Accounting profit before tax	180,817,405,405	223,779,276,795
Tax at the Company's tax rate	36,163,481,081	44,755,855,359
Non-deductible expenses	25,924,372	154,048,302
Tax exempt income	(35,392,008,192)	(43,206,952,108)
	797,397,261	1,702,951,553

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(b) Applicable tax rates

Under the terms of its Investment Certificate, the Company has an obligation to pay the government income tax at the rate of 10% of taxable profits for 15 years starting from the first year of operation and usual income tax rate for succeeding years. The provision of the Investment Certificate also allows the Company to be exempt from income tax for four years starting from the first year it generates taxable profit (from 2015 to 2018) and entitled to a 50% reduction in income tax for the nine succeeding years (from 2019 to 2027). However, according to Official Letter No. 1560/CT-TTHT dated 5 June 2018 issued by the Tax Department of Dak Lak Province, the Company is also entitled to be exempt from income tax for entire project life for taxable profits from manufacturing instant coffee from 2015 onwards.

The above tax incentives are not applied to other income, which is taxed at usual income tax rate. The usual income tax rate applicable to enterprises before any incentives is 20%.

26. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with the related parties during the year:

	Transaction value for the year ended	
	31/3/2020 VND	31/3/2019 VND
<i>Parent company</i>		
CCL Products (India) Limited		
Profits distribution (Note 14)	425,487,300,000	96,147,057,450
Convert retained profits to capital (Note 14)	185,435,366,714	-
<i>Other related party</i>		
Board of Directors		
Compensation	395,964,528	714,501,000

27. Corresponding figures

Corresponding figures as at 1 April 2019 were derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 March 2019.

15 April 2020

Prepared by:  Approved by: 



Aluri Chandana Sekhara Rao
Deputy General Director

Naga Bhairava Sudhakar
Deputy General Director