QUICK HEAL TECHNOLOGIES (MENA) FZE
RAS AL KHAIMAH

Financial statements

Year Ended March 31, 2016

QUICK HEAL TECHNOLOGIES (MENA) FZE, RAS AL KHAIMAH

Financial statements for the year ended March 31, 2016

Contents

QUICK HEAL TECHNOLOGIES (MENA) FZE, RAS AL KHAIMAH

Director's report

The Director has pleasure in submitting his report and financial statements of the Establishment for the year ended March 31, 2016.

Activities

The principal activities of the Establishment continue to be trading in anti virus software.

Financial position

During the year, the Establishment achieved a turnover of AED 559,168 as against AED 506,807 in the previous year. The net assets at the date of statement of financial position reached to AED 2,546,793.

Auditors

A resolution to reappoint BDO Chartered Accountants & Advisors, as the auditors for the ensuing year, will be put to the members at the Annual General Meeting.

Kailash Katkar

April 11, 2016

P.O.Box: 17214
Ras Al Khaimah
U.A.E.

BDO

هاتف : ٢٨٦٩ ٢٢٢ ٤ ٩٧١+
فاكس : ٠١٥١ ٢٢٧ ٤ ٩٧١+

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Independent Auditors'
Report on the Financial Statements
To the Shareholder of Quick Heal Technologies (MENA) FZE, Ras Al Khaimah

We have audited the accompanying financial statements of Quick Heal Technologies (MENA) FZE, Ras Al Khaimah ("the Establishment") which comprise the statement of financial position as at March 31, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls 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.

Auditors' 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 auditors' 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 auditors consider internal controls relevant to the entity'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 internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Quick Heal Technologies (MENA) FZE, Ras Al Khaimah at March 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory

We have obtained all the information and explanations, which were necessary for the purpose of our audit and no violation of Implenting Regulations No. 1/2000, issued by the Ras Al Khaimah Free Trade Zone Authority adhering to the Emiri Decree dated 1/5/2000 came to our attention which would materially affect the Establishment's financial position.

In our opinion, the Establishment maintains proper books of account and the accompanying financial statements are in agreement therewith.

BDO CHARTERED ACCOUNTANTS & ADVISORS
Sharjah
Bharadhwaaj Lakximinarasiman
Reg. No. 652
April 11, 2016

QUICK HEAL TECHNOLOGIES (MENA) FZE, RAS AL KHAIMAH

Statement of financial position at March 31, 2016

	Notes	2016 AED	2015 AED
Non current assets			
Property, plant and equipment	5	**6,771**	8,271
Loan to related parties	7	**160,708**	719,817
Total non current assets		**167,479**	728,088
Current assets			
Inventories	6	**74,854**	100,143
Trade and other receivables	7	**186,082**	235,699
Loan to related parties	7	**1,145,275**	917,614
Bank balances and cash	8	**1,855,464**	1,253,714
Total current assets		**3,261,675**	2,507,170
Current liabilities			
Trade and other payables	11	**25,860**	69,781
Due to related parties	9	**856,501**	510,145
Total current liabilities		**882,361**	579,926
Net current assets		**2,379,314**	1,927,244
Net assets		**2,546,793**	2,655,332
Equity			
Share capital	12	**2,800,000**	2,800,000
Accumulated deficit		**(253,207)**	(144,668)
Total equity		**2,546,793**	2,655,332

The financial statements have been approved by the Director on April 11, 2016:

Kailash Katkar

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The notes on pages 8 to 19 form part of these financial statements

QUICK HEAL TECHNOLOGIES (MENA) FZE, RAS AL KHAIMAH

Statement of comprehensive income for the year ended March 31, 2016

	Notes	2016 AED	2015 AED
Revenue		**559,168**	506,807
Cost of sales		**462,430**	403,818
Gross profit		**96,738**	102,989
Other income	13	**60,336**	17,294
		157,074	120,283
Administrative, selling and general expenses	14	**265,613**	212,082
Net loss for the year		**(108,539)**	(91,799)

The financial statements have been approved by the Director on April 11, 2016:

Kailash Katkar

The notes on pages 8 to 19 form part of these financial statements

QUICK HEAL TECHNOLOGIES (MENA) FZE, RAS AL KHAIMAH

Statement of changes in equity for the year ended March 31, 2016

	Share Capital AED	Accumulated deficit AED	Total equity AED
Balance at April 1, 2014	400,000	(52,869)	347,131
Total comprehensive income for the year	-	(91,799)	(91,799)
Additional capital introduced	2,400,000	-	2,400,000
Balance at March 31, 2015	**2,800,000**	**(144,668)**	**2,655,332**
Total comprehensive income for the year	-	(108,539)	(108,539)
Balance at March 31, 2016	**2,800,000**	**(253,207)**	**2,546,793**

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QUICK HEAL TECHNOLOGIES (MENA) FZE, RAS AL KHAIMAH

Statement of cash flows for the year ended March 31, 2016

		2016	2015
Cash flows from operating activities	**Notes**	**AED**	**AED**
Net loss for the year		**(108,539)**	(91,799)
Adjustments for :			
Depreciation	5	**1,500**	326
Interest income		**(60,336)**	(17,294)
Operating loss before working capital changes		**(167,375)**	(108,767)
Decrease/(increase) in inventories	6	**25,289**	(100,143)
Decrease/(increase) in trade and other receivables	7	**49,617**	(176,009)
Decrease/(increase) in loan to related parties	7	**331,448**	(1,637,431)
(Decrease)/increase in trade and other payables	11	**(43,921)**	33,592
Increase in due to related parties	9	**346,356**	439,243
Cash generated from/(used in) operations		**541,414**	(1,549,515)
Interest received	13	**60,336**	17,294
Net cash from/(used in) operating activities		**601,750**	(1,532,221)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	-	(8,597)
Net cash used in investing activities		-	(8,597)
Cash flows from financing activities			
Additional capital introduced		-	2,400,000
Net cash used in financing activities		-	2,400,000
Net increase in cash and cash equivalents		**601,750**	859,182
Cash and cash equivalents at beginning of the year		**1,253,714**	394,532
Cash and cash equivalents at end of the year	8	**1,855,464**	1,253,714

The notes on pages 8 to 19 form part of these financial statements

1 Status and activity

Quick Heal Technologies (MENA) FZE, Ras Al Khaimah ("the Establishment") is a Free Zone Establishment registered with limited liability under the Implementing Regulations No. 1/2000, issued by the Ras Al Khaimah Free Trade Zone Authority adhering to the Emiri Decree dated 1/5/2000. The principal activities of the Establishment include trading in antivirus software. The Establishment is wholly owned subsidiary of Quick Heal Technologies Private Limited (the "Parent Company"), a company registered in India.

The principal place of business of the Establishment is located at Ras al Khaimah Free Trade Zone, UAE

The financial statements for the year ended March 31, 2016 were authorised for issue by the Director on April 11, 2016.

These financial statements are presented in United Arab Emirates Dirhams (AED).

2 Adoptation of new and revised standards

New standards, interpretations and amendments effective from January 1, 2015

The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Annual Improvements to IFRSs 2010-2012 Cycle (Effective for annual periods beginning on or after July 1, 2014):

IFRS 13 Fair Value Measurements

This improvement clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only). The amendment has not impacted on the Establishment's financial position or performance on adoption.

IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets'

The improvement clarifies that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount. The amendment has not impacted on the Establishment's financial position or performance on adoption.

IAS 24 Related Party Disclosures

The improvement clarifies how payments to entities providing management services are to be disclosed. The amendment has no impact on the Establishment's financial position or performance on adoption.

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Quick Heal Technologies (MENA) FZE

2 Adoption of new and revised standards (continued)

New standards, interpretations and amendments effective from January 1, 2015 (continued)

Annual Improvements to IFRSs 2011-2013 Cycle (Effective for annual periods beginning on or after July 1, 2014):

IFRS 13 Fair Value Measurements

This improvement clarifies the scope of the portfolio exception in paragraph 52. The amendment has not impacted on the Establishment's financial position or performance on adoption.

New standards, interpretations and amendments not yet effective

The Establishment has not applied the following new and revised IFRSs that have been issued but are not yet effective for annual periods beginning on or after January 1, 2015:

IFRS 9 'Financial instruments'

IFRS 9 (2009) standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 (2010) incorporated the revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 Financial Instruments: Recognition and Measurement. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss - in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

IFRS 9 (2013) incorporated the revised requirements a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. It also permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss. This revised version also removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

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2 **Adoptation of new and revised standards (continued)**

New standards, interpretations and amendments effective from January 1, 2015 (continued)

IFRS 9 'Financial instruments (2014)' is a finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment:** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

- **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- **De-recognition:** The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 9 (2014) was issued on July 24, 2014 and supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before February 1, 2015.

The Establishment is yet to determine whether it shall adopt IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), or adopt IFRS 9 (2014) at a later date. Accordingly, the Establishment is yet to assess the full impact on adoption of IFRS 9.

IFRS 15 'Revenue from Contracts with Customers' (Effective for annual periods beginning on or after January 1, 2018):

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:
- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Establishment is yet to assess IFRS 15's full impact and intends to adopt IFRS 15 no earlier than the accounting period beginning on or after January 1, 2018.

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2 Adoptation of new and revised standards (continued)

New standards, interpretations and amendments effective from January 1, 2015 (continued)

IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)' (Effective for annual periods beginning on or after January 1, 2016):

This amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated;
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

These amendments will not impact the Establishment's financial position or performance and becomes effective for annual periods beginning on or after January 1, 2016.

IAS 1 Presentation of Financial Statements (Effective for annual periods beginning on or after January 1, 2016):

The following narrow-scope amendments have been made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgments in presenting their financial reports:

Materiality and aggregation: clarifies that an entity should not obscure useful information by aggregating or disaggregating information; and that materiality considerations apply to the primary statements, notes and any specific disclosure requirements in IFRSs, i.e. disclosures specifically required by IFRSs need to be provided only if the information is material.

Statement of financial position and statement of profit or loss and other comprehensive income: clarifies that the list of line items specified by IAS 1 for these statements can be disaggregated and aggregated as relevant. Additional guidance has been added on the presentation of subtotals in these statements.

Presentation of items of other comprehensive income ("OCI"): clarifies that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

Notes: clarifies that entities have flexibility when designing the structure of the notes and provides guidance on how to determine a systematic order of the notes. Also, unhelpful examples regarding the identification of significant accounting policy have been removed.

The Establishment is yet to assess the full impact of these amendments on its financial statements.

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2 Adoptation of new and revised standards (continued)

New standards, interpretations and amendments effective from January 1, 2015 (continued)

Annual Improvements to IFRSs 2012-2014 Cycle (Effective for annual periods beginning on or after July 1, 2016):

IFRS 7 Financial Instruments: Disclosures

This improvement provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements. The annual improvement has not impacted the Establishment's financial position or performance on adoption.

3 Significant accounting policies

These financial statements are prepared under the historical cost convention and are the first financial statments prepared in accordance with International Financial Reporting Standards. The significant accounting policies adopted are as follows:

Property, Plant & Equipment

The property and equipment are carried at their cost less any accumulated depreciation and any accumulated impairment. Cost includes purchase cost together with any incidental costs of acquisition.

Depreciation

Depreciation is provided consistently on a straight line basis so to write off the cost of property, plant & equipment over their estimated useful lives. The management has revised the estimated useful of its assets from previous estimates as given below:

	Original Useful Life Years	Revised Useful Life Years
Furniture & Fixtures	5	10
Equipments	3	5

Impariments

The carrying amounts of the Establishment's assets are reviewed annually at each date of statement of financial position to determine whether the assets have been impaired during the year. Where an asset has been impaired, the recoverable amount of asset is determined. Where the carrying amount exceeds the recoverable amount, the asset is written down to its recoverable amount. The resultant impairment loss is recognised as an expense in the statement of comprehensive income.

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3 Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is based on the normal selling price, less the costs expected to be incurred on disposal.

Financial assets

All financial assets are recognised and derecognised on trade date and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held to maturity investments, loans and receivables and available for sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets are classified as fair value through profit or loss when the financial asset is either a held for trading investment or it is designated as fair value through profit or loss.

A financial asset is classified as held for trading if, it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Establishment manages together and has a recent actual pattern of shortterm profittaking; or it is a derivative that is not designated and effective as a hedging instrument.

Heldtomaturity investments are nonderivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market.

Availableforsale financial assets are those nonderivative financial assets that are designated as available for sale or are not classified as loans and receivables, heldtomaturity investments or financial assets at fair value through profit or loss.

Loans and receivables comprise of trade and other receivables and due from related parties that have fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

Employees' end of service benefits

Provision is made for employees' end of service benefits on the basis prescribed in the UAE Labour Law, for the accumulated period of service at the date of statement of financial position.

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3 Significant accounting policies (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Establishment's financial liabilities consist of amount due to related parties & trade and other payables. Trade and other payables & amounts due to related party are stated at cost.

Revenue recognition

Revenue from the sales of softwares is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount is measured reliably.

Foreign currencies

Transactions in foreign currencies during the year are converted into AED at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies are translated to AED at the rates of exchange ruling at the balance sheet date. All gains and losses on exchange are taken to the income statement.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash and bank balances.

4 Critical accounting judgemental and key sources of estimation uncertainty

In the application of the Establishment's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial. To align with the group accounting policies during the year, the management has reviewed the useful life of these assets and has revised the estimation of the useful life of these assets, details of which are set out in note 5.

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4 Critical accounting judgemental and key sources of estimation uncertainty (continued)

Inventories

Inventories are stated at the lower of cost or market. Adjustments have been made to reduce the cost of inventory to its realisable value, if required, for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, quality issues and expired products. Based on the above factors, the Establishment has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

5 Property, plant and equipment

Movements in property, plant and equipment are given on page 19.

During the year the management revised its estimated useful lives of property, plant and equipment. The overall impact of this revision amounts to AED 460.

6 Inventories

Inventories comprise software and licenses held for sale and the carrying amount of inventories is its cost. No inventories are stated at net realisable value.

7 Trade and other receivables

	2016 AED	2015 AED
Trade receivables	**144,508**	215,294
Prepayments	**16,500**	10,525
Deposits	**7,400**	9,400
Other receivables	**17,674**	480
	186,082	235,699

There are 6 customers who represent 75 percent of the total balance of trade receivables. AED 86,968 of the trade receivables are neither past due nor impaired. The Establishment does not hold any collateral over these balances nor does it have a legal right of offset against any amounts owed by the Establishment to the counterparty.

Included in trade receivables are debtors with carrying amounts of AED 57,540 which are past due at the reporting date for which the Establishment, has not provided as it still considers these amounts as recoverable.

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8 Trade and other receivables (continued)

The carrying amount of trade receivables approximates to its fair value, which is based on an estimate of the recoverable amount.

Ageing analysis of past due trade receivables is as under:

	2016 AED	2015 AED
0-60 days	**30,870**	53,750
Above 90 Days	**26,669**	9,736
	57,539	63,486

9 Related party disclosures

Related parties include the parent company, immediate family members of the shareholders who can exert influence over the Establishment, key management personnel and any businesses which are controlled directly or indirectly by the Establishment or over which they exercise significant management influence. The net balances after provision due from such parties, which have been disclosed separately in the financial statements, are unsecured, interest free and are repayable on demand.

The significant related party transactions during the year are as follows:

	2016 AED	2015 AED
Interest earned	**60,336**	17,294
Purchases from parent company	**370,784**	332,321

Related party balances are as under :

	2016 AED	2015 AED
Receivables :		
Loan to related parties - Non current	**160,708**	719,817
Loan to related parties - Current	**1,145,275**	917,614
	1,305,983	1,637,431
Payables :		
Against purchase from parent company	**735,396**	368,704
Against advances from parent company	**121,105**	141,441
	856,501	510,145

Loan to related parties represents an 2 unsecured loans to related parties bearing interest at 4% per annum and repayable in 24 installments. The amount receivable within 12 months from the date of statement of financial position is classified as current.

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10 Bank balances and cash

	2016 AED	2015 AED
Cash in hand	**3,431**	3,431
Current accounts with banks	**1,852,033**	1,250,283
	1,855,464	1,253,714

11 Trade and other payables

	2016 AED	2015 AED
Trade payables	**-**	33,153
Accruals and other payables	**25,860**	36,628
	25,860	69,781

12 Share capital

	2016 AED	2015 AED
Authorised, issued and paid up capital:		
28 shares of AED 100,000 each	**2,800,000**	2,800,000

13 Other income

This mainly pertains to the interest income.

14 Administrative, selling and general expenses

	2016 AED	2015 AED
Staff salaries and benefits	**54,624**	44,106
Rent expense	**114,026**	44,856
Travel and conveyance	**17,044**	4,428
Utilities expenses	**26,572**	8,800
Legal and professional expenses	**28,464**	16,210
Advertising & promotion expense	**18,930**	84,869
Depreciation	**1,500**	326
Bank charges	**3,086**	1,182
Other	**1,367**	7,305
	265,613	212,082

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15 Financial instruments - risk management

Capital risk management

The capital is managed by the Establishment in a way that it is able to continue as a going concern while maximising returns to shareholders.

The capital structure of the Establishment consists of equity attributable to equity holders, comprising of authorised, issued and paid up capital and retained earnings.

As a risk management policy, the Establishment reviews its cost of capital and risks associated with each class of capital. The Establishment balances its capital structure based on the above review.

Market risk management

The Establishment is primarily exposed to the financial risks of changes in foreign currency exchange rates & interest rates.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign currency risk management

The Establishment undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. The Establishment is mainly exposed to US Dollars (USD). But, as UAE Dirham (AED) is pegged to the US Dollar, the Establishment is not exposed to any significant exchange rate fluctuations.

Interest rate risk management

The Establishment is not exposed to interest rate risk as entities in the Establishment is totally financed by equity.

Credit risk management

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Establishment is exposed to credit risk from its financial assets which comprise principally, bank balances. The Estabishment's bank accounts are placed with high credit quality financial institutions.

Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Establishment has built an appropriate liquidity risk management framework for the management of its short, medium and long term funding and liquidity requirements. The Establishment manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities and by continuously monitoring forecast and actual cashflows.

16 Comparative figures

Comparative figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current year.

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Schedule of property, plant and equipment

	Office Equipments	Furniture & Fixtures	Total
Cost	**AED**	**AED**	**AED**
Additions	1,808	6,789	8,597
As at April 1, 2015	1,808	6,789	8,597
As at March 31, 2016	**1,808**	**6,789**	**8,597**
Accumulated Depreciation			
Charge for the year	100	226	326
As at April 1, 2015	100	226	326
Charge for the year	482	1,018	1,500
As at March 31, 2016	**582**	**1,244**	**1,826**
Net Book Value			
As at March 31, 2016	**1,226**	**5,545**	**6,771**
As at March 31, 2015	1,708	6,563	8,271

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