

SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31ST MARCH 2016

AND INDEPENDENT AUDITOR'S REPORT

SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

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SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

COMPANY INFORMATION:

MANAGER	:	Mr. Pruthu Rajesh Shah
REGISTERED OFFICE	:	Unit No.2405 & 2406, 1-Lake Plaza, Plot No.JLT-PH2-T2, Jumeirah Lakes Towers, Dubai, U.A.E
AUDITOR	:	PARKER RANDALL - Haris & Associates Auditing, Chartered Accountants, P.O. Box 31367, Dubai - United Arab Emirates.

SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

THE MANAGEMENT REPORT

The Manager has the pleasure in presenting the report and the audited financial statements of M/s. Scrabble Entertainment DMCC for the year ended 31st March 2016.

PRINCIPAL ACTIVITIES:

The principle activity of the company is trading in Audio-Visual, Recording equipments and accessories.

FINANCIAL ANALYSIS

SUMMARIZED INCOME STATEMENT

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	<u>AED in 000</u>	<u>AED in 000</u>
Operating income	64,013.93	47,884.79
Operating cost	(49,238.77)	(34,607.85)
Gross Income	14,775.16	13,276.94
Less: General and administrative expenses	(3,593.48)	(3,071.49)
Add: Other income	1,164.28	605.04
Less: Depreciation expenses	(925.93)	(1,030.15)
Less: Finance charges	(32.39)	(81.23)
Net income for the year	11,387.64	9,699.11

SUMMARIZED BALANCE SHEET

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	<u>AED in 000</u>	<u>AED in 000</u>
Non current assets	1,091.87	1,860.39
Current assets	28,321.22	22,055.97
Less:		
Non current liabilities	(313.06)	(197.42)
Current liabilities	(15,818.08)	(9,824.63)
	13,281.96	13,894.32

Capital & Reserves

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	<u>AED in 000</u>	<u>AED in 000</u>
Share capital, capital contribution and reserves	1,197.44	1,197.44
Retained earnings	12,084.52	12,696.88
	13,281.96	13,894.32



BUSINESS OPERATIONS REVIEW

The Company's total revenue for the year was AED 64,013,934/-. The Manager is optimistic about the prospects for ensuing years and expect to improve the performance of the Company.

BALANCE SHEET ANALYSIS

UTILIZATION OF EQUITY

	31-Mar-16	31-Mar-15
	<u>AED in 000</u>	<u>AED in 000</u>
1. Fixed assets	1,091.87	1,860.39
2. Net current asset less long term liabilities	12,190.09	12,033.93
	13,281.96	13,894.32

EQUITY

	31-Mar-16	31-Mar-15
	<u>AED in 000</u>	<u>AED in 000</u>
Capital account	3,000.00	3,000.00
Current account	(3,302.56)	(3,302.56)
Legal reserve	1,500.00	1,500.00
Retained earnings	12,084.52	12,696.88
	13,281.96	13,894.32

GOING CONCERN

The Financial Statements has been prepared on a going concern basis which assumed that the company will continue to operate as a going concern for the foreseeable future. The Manager gives hope and expectations that the company has a glorious future ahead of them to continue in operational existence for the foreseeable future.

PROPERTY, PLANT AND EQUIPMENT

The movement in the property, plant and equipment is set out in note no: 5 to the financial statements.

IMPENDING LITIGATION

There are no such matters pending that the Company expects to be material in relation to its activities.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

In the opinion of the Manager, no item, transaction or event of a material and unusual nature has occurred between the end of the financial period and the date of report which is likely to affect, substantially the result of the operations of the company for the financial period then ended.



THE MANAGER

Mr. Pruthu Rajesh Shah, the Manager of Scrabble Entertainment DMCC looks after the day to day affairs of the company.

AUDITORS

The auditors, M/s. Parker Randall - Haris & Associates Auditing - Chartered Accountants, United Arab Emirates are willing to continue in office and resolution to re-appointment them will be proposed in the Annual General Meeting (AGM).

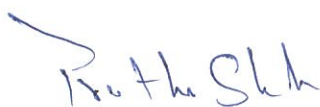
MANAGER'S RESPONSIBILITIES

The company Law requires the Management to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the net surplus/deficit for that year.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, financial position of the Company and to enable them to ensure that the financial statements comply with the relevant governing Laws.

ACKNOWLEDGMENTS

The Manager wishes to place on record his appreciation of the services rendered by all the employees of the Company, his gratitude to the various departments of Government, Banks, Business associates and Customers, Distributors, Auditors and Suppliers for their support.



Mr. Pruthu Rajesh Shah.

Manager

Dubai

25 April 2016



Independent Auditor's Report to Shareholders' of

SCRABBLE ENTERTAINMENT DMCC

Dubai - United Arab Emirates.

Report of the Auditors

We have audited the accompanying financial statements of **SCRABBLE ENTERTAINMENT DMCC, Dubai** which comprises the statement of financial position as of 31st March 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

Respective responsibilities

The preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) are the responsibility of the Company Directors'. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of opinion

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 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 judgment, including the assessment of the risk 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 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 entity's internal control.

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 financial statements. We believe that the audit evidence we have obtained provides a basis for our audit opinion.

(Auditor's report continued on next page.)

Independent auditor's report on SCRABBLE ENTERTAINMENT DMCC (continued.)

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Company as of 31st March 2016 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply, where appropriate, with the provisions of law No (4) of 2001 and order dated May 1 2002 in respect of establishing companies in Dubai Multi Commodities Centre and its amendments.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

- i) We have obtained all the information and explanations which we considered necessary for our audit;
- ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the above law;
- iii) The entity has maintained proper books of accounts;
- iv) Note 9 to the financial statements discloses material related party transactions and the terms under which they were conducted;
- v) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the entity has contravened during the financial year any of the applicable provisions of the above law or of its Articles of Association which would materially effect its activities or its financial position of the entity.

Haris & Associates Auditing

Member of Parker Randall International

K.V.Baby

Registered Auditor No: 382

Dubai, United Arab Emirates

25 April 2016



SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2016

<u>ASSETS</u>		31-Mar-16	31-Mar-15
<u>NON-CURRENT ASSETS</u>	Notes	AED	AED
Property, plant & equipment (net)	5	1,078,904	1,847,426
Investments	6	12,966	12,966
Total non-current Assets		1,091,870	1,860,392
<u>CURRENT ASSETS</u>			
Inventory	7	1,207,606	1,663,851
Accounts receivable	8	16,866,075	10,973,302
Due from related parties	9a	438,080	697,258
Loan to shareholder	10	1,797,496	3,128,499
Deposits, prepayments and other receivables	11	2,212,526	612,402
Deposit with banks	12	1,332,745	-
Cash in hand and at banks	13	4,466,695	4,980,662
Total Current Assets		28,321,223	22,055,974
TOTAL ASSETS		29,413,093	23,916,366
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL AND RESERVES</u>			
Share capital		3,000,000	3,000,000
Legal reserve		1,500,000	1,500,000
Shareholders' current accounts	14	(3,302,563)	(3,302,563)
Retained earnings		12,084,522	12,696,880
Total Capital and Reserves		13,281,960	13,894,318
<u>NON-CURRENT LIABILITIES</u>			
Provision for employees' service end benefits	15	313,056	197,420
Total non-current liabilities		313,056	197,420
<u>CURRENT LIABILITIES</u>			
Accounts payable	16	13,083,059	8,902,580
Due to related parties	9b	-	91,750
Accruals and other payables	17	2,735,018	830,298
Total Current Liabilities		15,818,077	9,824,628
TOTAL EQUITY AND LIABILITIES		29,413,093	23,916,366

(Notes on pages 7 to 20 form an integral part of these financial statements)

We approve these Financial Statements and confirm that we are responsible for them, including the selection of the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were approved on 25th April 2016.

FOR SCRABBLE ENTERTAINMENT DMCC

Mr. Pruthu Rajesh Shah
Manager



Pruthu Shah




SCRABBLE ENTERTAINMENT DMCC**DUBAI - UNITED ARAB EMIRATES****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2016**

		31-Mar-16	31-Mar-15
	Notes	AED	AED
Sales	18	64,013,934	47,884,794
Cost of sales	19	(49,238,772)	(34,607,852)
Gross profit		14,775,162	13,276,942
Add: other income	20	1,164,283	605,041
		15,939,445	13,881,983
<u>Less : General & Administrative Expenses</u>			
<u>and Other Charges</u>			
General & administration expen	21	3,593,480	3,071,490
Finance charges	22	32,390	81,231
Depreciation expenses	5	925,933	1,030,148
Total expenses		4,551,803	4,182,869
Net income / (loss) transferred to retained earnings		11,387,642	9,699,114

(Notes on pages 7 to 20 form an integral part of these financial statements)

FOR SCRABBLE ENTERTAINMENT DMCC


Mr. Pruthu Rajesh Shah
Manager



SCRABBLE ENTERTAINMENT DMCC**DUBAI - UNITED ARAB EMIRATES****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2016.**

	Capital	Legal Reserve	Current accounts	Retained earnings	Total
	AED	AED	AED	AED	AED
As at 01/04/2014	3,000,000	1,452,794	(3,255,422)	12,494,972	13,692,344
Funds introduced/(withdrawn) net		-	(47,141)		(47,141)
Transfer from income statement		47,206		9,651,908	9,699,114
Dividend declared and paid		-	-	(9,450,000)	(9,450,000)
As at 31/03/2015	3,000,000	1,500,000	(3,302,563)	12,696,880	13,894,317
Transfer from income statement		-	-	11,387,642	11,387,642
Dividend declared and paid		-	-	(12,000,000)	(12,000,000)
As at 31/03/2016	3,000,000	1,500,000	(3,302,563)	12,084,522	13,281,960

(Notes on pages 7 to 20 form an integral part of these financial statements)

FOR SCRABBLE ENTERTAINMENT DMCC

Pruthu Rajesh Shah
Mr. Pruthu Rajesh Shah
Manager



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2016

	31-Mar-16	31-Mar-15
	AED	AED
Cash Flow from Operating Activities		
Operating profit for the period	11,387,642	9,699,114
Adjustments for:-		
Depreciation of property, plant & equipment	925,933	1,030,148
Employees' end of service benefits	115,636	68,049
(Profit)/loss on sale of assets	(274,465)	1,880
Operating Income Before Working Capital Changes	12,154,746	10,799,191
<i>(Increase) / Decrease in operating assets</i>		
Inventory	456,245	(972,242)
Accounts receivable	(5,892,773)	(993,023)
Related party balances	167,428	341,702
Deposits, prepayments and other receivables	(1,600,124)	191,512
<i>Increase / (Decrease) in operating liabilities</i>		
Trade Creditors	4,180,479	(875,887)
Accruals and other payables	1,904,720	693,199
Net Cash Flow from Operating Activities	11,370,721	9,184,452
Cash Flow from Investing Activities		
Purchase of property, plant & equipment	(366,156)	(117,511)
Proceeds from sale of fixed assets	483,210	-
Net Cash Outflow from Investing Activities	117,054	(117,511)
Cash Flow from Financing Activities		
Shareholder's current account	-	(47,141)
Other loans and advances	-	(1,838,859)
Shareholder's loan	1,331,003	(247,725)
Dividend declared and paid	(12,000,000)	(9,450,000)
Deposits with banks	(1,332,745)	-
Net Cash flow from Financing Activities	(12,001,742)	(11,583,725)
Add opening cash and bank balances	4,980,662	7,497,446
Closing cash and cash equivalents	4,466,695	4,980,662

(Notes on pages 7 to 20 form an integral part of these financial statements)

FOR SCRABBLE ENTERTAINMENT DMCC



Mr. Pruthu Rajesh Shah

Manager



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2016

1- COMPANY'S NATURE, OPERATIONS AND OWNERSHIP

a) SCRABBLE ENTERTAINMENT DMCC is registered as a Company with Limited Liability in Dubai Multi Commodities Centre Dubai U A E, in accordance with all the provisions of law No (4) of 2001 and order dated May 1 2002 in respect of establishing Dubai Multi Commodities Centre and its amendments. The company operates under Trade license No. JLT-66360 issued on September 27, 2011. The registered office of the company is Units No.2405&2406,1-Lake Plaza, Plot No. PH2-T2, Jumeirah Lakes Towers, Dubai, U A E.

b) The principle activity of the company is Trading in Audio-Visual, Recording equipment & accessories.

c) The authorized issued and paid up capital of the company was 3000 shares of AED 1,000/- each. The names of the shareholders and the shares held by them were as given below.

Name of Shareholders	Nationality	No of Shares	Value of Shares (AED)
M/s. Scrabble Entertainment Limited., Mumbai	India	300	300,000
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	Mauritius	2,700	2,700,000
Total		3,000	3,000,000

d) The authorized manager of the company is Mr. Pruthu Rajesh Shah.

e) In accordance with Dubai Multi Commodities Centre's transition process, there was a change in the suffix attached with the name of the company. The name of the company was changed from Scrabble Entertainment JLT to Scrabble Entertainment DMCC.

2- BASIS OF PREPARATION

2.1 - Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the United Arab Emirates Federal Commercial Companies Law No. (2) of 2015.



The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in note - 3.

2.2 - Basis of Measurement

* The financial statements have been prepared under the historical cost convention unless otherwise indicated.

2.3 - Going Concern

The financial statements are prepared on a going concern basis which assumed that the Entity will continue to operate as a going concern for the foreseeable future.

2.4 - Comparative Information

* The accounting policies and estimates adopted are consistent with those used in previous financial years.

* Certain comparative figures are regrouped and rearranged wherever necessary to conform to the presentation adopted in these financial statements. Such reclassification do not affect previously reported net income or shareholders' equity.

3- APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

3.1 - New and revised IFRSs applied with no material effect on the financial statements

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 effect the accounting for future transactions or arrangements.

- ◆ Amendments IAS 19 Employee Benefits relating to Defined Benefit Plans: Employee Contributions.
- ◆ Improvements to IFRSs issued in 2011 - 2013 covering amendments to IFRS 1, IFRS 3, IFRS 13, IAS 40.

3.2 - New and revised IFRSs in issue but not yet effective

The Entity has not early applied the following new standards, amendments and interpretations that have been issued but not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
◆ Amendments to IAS 27 <i>Separate Financial Statements</i> regarding Equity Method in Separate Financial Statements	1 January 2016
◆ Amendments to IFRS 10, IFRS 12 and IAS 28 - <i>Investment Entities</i> clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
◆ Amendments to IAS 1 <i>Disclosure Initiative</i> regarding to address perceived impediments to preparers exercising their judgment in presenting their financial reports	1 January 2016



◆ Amendments to IAS 16 and IAS 41 <i>Agriculture: Bearer Plants</i> regarding biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016
◆ Improvements to IFRSs issued in 2012 - 2014 covering amendments to IFRS 5, IFRS 7, IAS 9, IAS 34	1 January 2016
◆ Amendments to IAS 16 <i>Property, Plant and Equipment</i> and IAS 38 <i>Intangible Assets</i> regarding clarification of acceptable methods of depreciation and amortization	1 January 2016
◆ Amendments to IFRS 11 <i>Joint Arrangements</i> related to accounting for acquisitions of interests in Joint Operations	1 January 2016
◆ IFRS 9 <i>Financial Instruments</i> (2014)	1 January 2018
◆ IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
◆ IFRS 16 <i>Leases</i> specifies how an IFRS reporter will recognize, measure, present and disclose leases	1 January 2019

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Foreign Currency Translations

The financial statements are presented in United Arab Emirates Dirham (AED), which is the Entity's functional and presentation currency. Transactions in foreign currencies are recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denomination in foreign currencies are converted at the rate of exchange ruling at the date of financial position. The resultant foreign exchange gains and losses are recognized in the Income statement.

4.2 Property, plant and equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation and impairment, if any. Depreciation on property, plant & equipment is provided on a straight line basis at rates calculated to write off the cost of each asset by equal annual instalments over its expected useful life. The rates of depreciation are based upon the following estimated useful lives: -

Furniture / Fittings	6 Years
Equipments	3 to 6 Years
Leasehold improvements	3 Years
Vehicles	3 Years

4.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on weighted average basis. The cost of inventory comprises the cost of purchase and other costs incurred in bringing the inventory to its present location and condition.



Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

4.4 Impairment of non-financial asset

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

4.5 Financial Assets

Classification

Financial assets are cash and cash equivalents and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Recognition and measurement

Financial assets are initially measured at fair value and subsequently carried at amortized cost using the effective interest method. The Entity assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

4.6 Impairment of financial assets

The Entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Entity first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. As a practical expedient, the Entity may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

4.7 Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in values.



4.8 Financial Liabilities

Classification

Financial liabilities issued by the Entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Derecognition of Financial Liabilities

The Entity derecognise financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or expired.

4.9 Trade payables and accruals

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Provision are recognized when the business has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses.

4.10 Employee's end of service benefits

The Entity provides end of services benefits to its employees. The entitlement to those benefits is usually based upon the employees' length of services and the completion of a minimum services period. The expected costs of these benefits are accrued over the period of employment and in accordance with U.A.E. Labour Law.

4.11 Revenue recognition

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 specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Revenue consist of fair value of consideration received or receivable as virtual print fees, sale of goods, services and installation charges in the ordinary course of the company's activities. Sales are stated net of discounts and returns. Sales are recognized when the goods are delivered to the customer, the customer has accepted the goods and the collectability of the related receivables is reasonably assured.

4.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when 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.



5- PROPERTY, PLANT & EQUIPMENT (Net)

	Equipment	Leasehold improvements	Vehicles	Furniture & fixtures	Total
<u>Cost</u>	AED	AED	AED	AED	AED
As at 01/04/15	4,302,266	335,880	228,565	108,975	4,975,686
Additions	264,156	-	100,000	2,000	366,156
Deletions	(783,637)	-	(85,000)	-	(868,637)
As at 31/03/16	3,782,785	335,880	243,565	110,975	4,473,205
As at 01/04/15	2,649,080	253,050	179,017	47,113	3,128,260
For the year	805,737	49,771	51,919	18,506	925,933
Deletions	(574,892)	-	(85,000)	-	(659,892)
As at 31/03/16	2,879,925	302,821	145,936	65,619	3,394,301
<u>Net Book Value</u>					
As at 31/03/16	902,860	33,059	97,629	45,356	1,078,904
As at 31/03/15	1,653,186	82,830	49,548	61,862	1,847,426

(In the opinion of the management there is no impairment to the net book value of the property, plant & equipment as at 31st March 2016).

(Motor Vehicle with net book value of AED.86,211/- is registered in the name of a third party)



6- INVESTMENTS

	31-Mar-16	31-Mar-15
	AED	AED
Scrabble Entertainment (Lebanon) SARL - Lebanon	12,258	12,258
Scrabble Ventures S. de R.L. de C.V - Mexico	708	708
	12,966	12,966

These amounts represent capital investment made in these companies.

7- INVENTORY

	31-Mar-16	31-Mar-15
	AED	AED
Inventory	1,207,606	1,663,851
	1,207,606	1,663,851

Stock is valued by the management at the lower of cost or net realizable value after making due allowance for any obsolete or slow moving items. Cost is determined on weighted average basis. When spare parts become old or obsolete, an estimate is made of their realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence, based on historical selling prices.

8- ACCOUNTS RECEIVABLE

	31-Mar-16	31-Mar-15
	AED	AED
Trade debtors	17,701,958	11,380,144
Less: Doubtful debts provision	(835,883)	(406,842)
	16,866,075	10,973,302

Aging of Accounts Receivable

	31-Mar-16	31-Mar-15
	AED	AED
0 to 90 days	11,485,084	8,961,381
91 to 180 days	5,069,956	1,416,361
181 to 365 days	622,070	189,297
Above 365 days	524,848	813,105
	17,701,958	11,380,144



Although all debtors' balance are not confirmed, the management considers the receivables to be good and realizable.

Accounts receivable are stated net of any required provision and fair value approximates carrying value.

As at March 31, 2016 top 5 trade receivable balances represents 44% (previous year 42%) of the total trade receivable balances outstanding.

9- RELATED PARTY BALANCES

Related parties represent associated companies, shareholders, directors, and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties consist of goods received, advances given, expenses incurred and receipts on their behalf. The Company, in the ordinary course of business, enters into transactions with other business enterprises that fall within the definition of related parties contained in International accounting standard 24. Such transactions are made on terms and conditions believed by the Company to be comparable to those that could be obtained from third parties.

a) Due from related parties:-

	31-Mar-16	31-Mar-15
	AED	AED
M/s: Scrabble Digital DMCC, Dubai	4,155	475,522
M/s: Scrabble Entertainment (Lebanon) SARL	250,425	221,736
M/s: Scrabble Digital INC, U.S.A.	183,500	-
	438,080	697,258

Summary of transactions:-

	Scrabble Digital DMCC, Dubai	Scrabble Entertainment (Lebanon) SARL	Scrabble Digital INC, U.S.A
	AED	AED	AED
<u>Opening balance</u>	475,522	221,736	-
Sales	61,873	-	-
Receipts	(570,657)	-	-
Payments	37,417	28,689	183,500
<u>Closing balance</u>	4,155	250,425	183,500



b) Due to related parties:-

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	AED	AED
M/s: UFO International Limited, Cyprus	-	91,750
	<u>-</u>	<u>91,750</u>

Summary of transactions:-

	UFO International Limited, Cyprus
	AED
<u>Opening balance</u>	<u>91,750</u>
Purchases	183,500
Payments	(275,250)
<u>Closing balance</u>	<u>-</u>

10- LOAN TO SHAREHOLDER

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	AED	AED
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	1,797,496	3,128,499
	<u>1,797,496</u>	<u>3,128,499</u>

Loan to shareholder is the loan given to one of the shareholders, M/s: Scrabble Entertainment (Mauritius) Ltd, Mauritius and accrued interest up to March 31, 2016. As per the loan agreement, the outstanding loan amount carries an interest rate of 9% per annum and the borrower undertakes to repay the loan within seven days on demand.

11- DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	AED	AED
Refundable deposits	80,450	60,950
Prepaid expenses	415,155	345,735
Staff advances	158,772	10,766
Advance to suppliers	1,558,149	194,951
	<u>2,212,526</u>	<u>612,402</u>



12- DEPOSITS WITH BANKS

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	<u>AED</u>	<u>AED</u>
RAK Bank, Dubai - Fixed deposits	1,332,745	-
	<u>1,332,745</u>	<u>-</u>

Fixed deposits with RAK Bank, Dubai are held under lien against facilities availed from the bank.

13- CASH IN HAND AND AT BANKS

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	<u>AED</u>	<u>AED</u>
Cash in hand	16,926	4,368
RAK Bank, Dubai - current account AED	4,190,812	4,037,284
RAK Bank, Dubai - current account USD	258,957	939,010
	<u>4,466,695</u>	<u>4,980,662</u>

14- SHAREHOLDERS' CURRENT ACCOUNT

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	<u>AED</u>	<u>AED</u>
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	(3,302,563)	(3,302,563)
	<u>(3,302,563)</u>	<u>(3,302,563)</u>

15- PROVISION FOR STAFF END OF SERVICE BENEFITS

	<u>31-Mar-16</u>	<u>31-Mar-15</u>
	<u>AED</u>	<u>AED</u>
Provision for Gratuity	313,056	197,420
	<u>313,056</u>	<u>197,420</u>

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at balance sheet dates, using the projected unit credit method, in respect of employees' end of service benefits payable under the UAE Labour Law. Under this method, an assessment has been made of an employee's expected service life with the company and the expected basic salary at the date of leaving the service. Other staff benefits like leave salary and air passage charges in accordance with U.A.E. Labour Law are accounted on actual payment basis.



16- ACCOUNTS PAYABLES

	31-Mar-16	31-Mar-15
	AED	AED
Trade Payable	13,083,059	8,902,580
	13,083,059	8,902,580

Aging of Accounts Payable

0 to 90 days	8,952,223	4,907,667
91 to 180 days	3,116,356	2,983,584
181 to 365 days	813,167	326,807
Above 365 days	201,312	684,522
	13,083,058	8,902,580

As at March 31, 2016 top 5 trade payable balances represents 48% (previous year 55%) of the total trade payable balances outstanding.

17- ACCRUALS AND OTHER PAYABLES

	31-Mar-16	31-Mar-15
	AED	AED
Advance from customers	2,336,112	741,123
Post dated cheques issued	-	80,000
Deferred AMC & part warranty	343,856	-
Other payables	55,050	9,175
	2,735,018	830,298

18- SALES

	31-Mar-16	31-Mar-15
	AED	AED
Equipment & spares	29,525,388	15,089,050
Virtual print fee	34,488,546	32,795,744
	64,013,934	47,884,794

19- COST OF SALES

	31-Mar-16	31-Mar-15
	AED	AED
Materials consumed	24,417,672	11,717,497
Virtual print fee expenses	24,173,073	22,548,821
Other direct expenses	648,027	341,534
	49,238,772	34,607,852



20- OTHER INCOME

	31-Mar-16	31-Mar-15
	AED	AED
Interest	298,936	349,241
Spare parts warranty & other income	590,882	255,800
Profit on sale of assets	274,465	-
	1,164,283	605,041

21- GENERAL AND ADMINISTRATIVE EXPENSES

	31-Mar-16	31-Mar-15
	AED	AED
Payroll and related expenses	2,226,425	1,961,111
Rent expenses	203,294	176,600
Electricity & water	54,027	64,959
License & registration fees	26,873	35,960
Business promotions	28,906	17,582
Travelling & conveyance expenses	172,454	129,003
Petrol & car maintenance	73,171	69,208
Postage, telephone, fax & internet	106,672	108,282
Insurance	33,182	30,036
Printing & stationary	10,290	14,261
Professional fee	32,000	46,500
Immigration and visa expenses	35,409	22,977
Bad & doubtful debts	491,390	290,350
Miscellaneous & other expenses	99,387	104,662
	3,593,480	3,071,490

22- FINANCE CHARGES

	31-Mar-16	31-Mar-15
	AED	AED
Finance charges	-	58,639
Bank charges	32,390	22,592
	32,390	81,231



23- FINANCIAL INSTRUMENTS

a) Financial assets of the company include cash and bank balances, trade debtors, deposits and advances.

b) Financial liabilities include trade creditors, provisions, accruals and advances.

c) The fair values of the company's financial assets and liabilities are approximate to their carrying values.

d) In the opinion of the Management, all the assets as shown in the Financial Statements are existing and realizable at the amount shown against them, and there are no liabilities contingent or otherwise not included in the above Financial Statements.

e) Cash and cash equivalents

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

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The company reviews and agrees policies for managing each of these risks and these policies are summarized below:

f) Foreign currency risk

The company does not have any significant foreign currency exposure and all of the transactions of the Company are in the reporting currency and in US Dollars. Hence the Company is not subject to currency risk.

g) Credit risk

Credit risk is the risk that the counterparty will cause a financial loss to the company by failing to discharge an obligation.

Credit risk arise from cash and cash equivalents, trade receivables and due from related parties. The company has policies in place to ensure that it's exposure to credit risk is minimal by setting credit for individual customers and monitoring outstanding receivables.

Cash and cash equivalents are placed with local banks of good repute. Credit risk on trade receivables is limited due to large customer base and their dispersion across wide range of industries and businesses.

h) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances. The company maintains sufficient flexibility in funding by keeping sufficient cash balances available.

i) Fair values

The fair values of the unit's financial assets and liabilities are not materially different from their carrying values in the balance sheet date .

24- CONTINGENT LIABILITY

Except for the below, the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment of company's account as of balance sheet date.



	31-Mar-16	31-Mar-15
	AED	AED
Letter of Guarantee	424,000	-
Labour Guarantee	42,000	33,000
	466,000	33,000

25- GENERAL

The figures in the financial statements are rounded to the nearest U.A.E Dirham.



FOR SCRABBLE ENTERTAINMENT DMCC

Pruthu Shah

Mr. Pruthu Rajesh Shah
Manager

