

SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31ST MARCH 2017

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 2017.

PRINCIPAL ACTIVITIES:

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

FINANCIAL ANALYSIS

SUMMARIZED INCOME STATEMENT

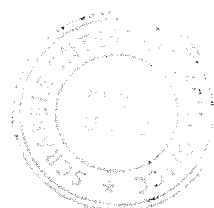
	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	<u>AED in 000</u>	<u>AED in 000</u>
Operating income	60,886.33	64,013.93
Operating cost	(47,110.39)	(49,238.77)
Gross Income	<u>13,775.94</u>	<u>14,775.16</u>
Less: General and administrative expenses	(3,506.41)	(3,593.48)
Add: Other income	1,332.83	1,164.28
Less: Depreciation expenses	(725.68)	(925.93)
Less: Finance charges	(32.10)	(32.39)
Net income for the year	<u>10,844.59</u>	<u>11,387.64</u>

SUMMARIZED BALANCE SHEET

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	<u>AED in 000</u>	<u>AED in 000</u>
Non current assets	393.14	1,091.87
Current assets	44,949.88	28,321.22
Less:		
Non current liabilities	(424.95)	(313.06)
Current liabilities	(20,791.52)	(15,818.08)
	<u>24,126.55</u>	<u>13,281.96</u>

Capital & Reserves

	<u>31-Mar-17</u>	<u>31-Mar-16</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	22,929.11	12,084.52
	<u>24,126.55</u>	<u>13,281.96</u>



BUSINESS OPERATIONS REVIEW

The Company's total revenue for the year was AED 60,886,328/-. 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-17	31-Mar-16
	AED in 000	AED in 000
1. Fixed assets	393.14	1,091.87
2. Net current asset less long term liabilities	23,733.41	12,190.09
	<u>24,126.55</u>	<u>13,281.96</u>

EQUITY

	31-Mar-17	31-Mar-16
	AED in 000	AED in 000
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	22,929.11	12,084.52
	<u>24,126.55</u>	<u>13,281.96</u>

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

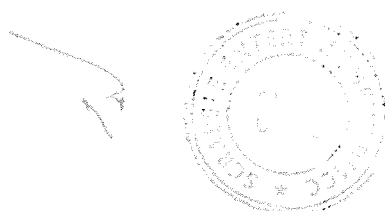
The movement in the property, plant and equipment is set out in note no: 5 to the financial statements.

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

27 April 2017



Independent Auditor's Report to Shareholders' of

M/s. SCRABBLE ENTERTAINMENT DMCC

Dubai - United Arab Emirates.

Opinion

We have audited the accompanying financial statements of **M/S. SCRABBLE ENTERTAINMENT DMCC, Dubai** which comprise the statement of financial position as at 31st March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **M/s. SCRABBLE ENTERTAINMENT DMCC, Dubai** as at 31st March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(Auditor's report continued on next page.)

Independent auditors' report of M/s. SCRABBLE ENTERTAINMENT DMCC (continued.)**Auditor's Responsibilities for the Audit of the Financial Statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's report. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (continued.)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Auditor's report continued on next page.)

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Independent auditors' report of M/s. SCRABBLE ENTERTAINMENT DMCC (continued.)**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by law No (4) of 2001 and order dated May 1 2002 in respect of establishing Dubai Multi Commodities Centre and its amendments, we report that:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the financial statements of the Company have been prepared and comply, in all material respects, with the applicable provisions of the above Law.
- iii) the Company has maintained proper books of account;
- iv) note 9 to the financial statements of the Company discloses material related party transactions and the terms under which they were conducted;
- v) the financial information included in the Director's report is consistent with the Company's books of account;
- vi) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31st March 2017 any of the applicable provisions of the above Law or of its Articles of Association which would materially affect its activities or its financial position as at 31st March 2017.

Haris & Associates Auditing**Member of Parker Randall International****K.V.Baby**

Registered Auditor No: 382

Dubai, United Arab Emirates

27 April 2017



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2017

<u>ASSETS</u>		31-Mar-17	31-Mar-16
<u>NON-CURRENT ASSETS</u>	Notes	AED	AED
Property, plant & equipment (net)	5	380,173	1,078,904
Investments	6	12,966	12,966
Total non-current Assets		393,139	1,091,870
<u>CURRENT ASSETS</u>			
Inventory	7	2,717,109	1,207,606
Accounts receivable	8	16,163,891	16,866,075
Due from related parties	9	465,346	438,080
Loan to shareholder	10	1,906,496	1,797,496
Deposits, prepayments and other receivables	11	2,568,319	2,212,526
Deposit with banks	12	11,344,627	1,332,745
Cash in hand and at banks	13	9,784,089	4,466,695
Total Current Assets		44,949,877	28,321,223
TOTAL ASSETS		45,343,016	29,413,093
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL AND RESERVES</u>			
Share capital	14	3,000,000	3,000,000
Legal reserve		1,500,000	1,500,000
Shareholders' current accounts	15	(3,302,563)	(3,302,563)
Retained earnings		22,929,107	12,084,522
Total Capital and Reserves		24,126,545	13,281,960
<u>NON-CURRENT LIABILITIES</u>			
Provision for employees' service end benefits	16	424,950	313,056
Total non-current liabilities		424,950	313,056
<u>CURRENT LIABILITIES</u>			
Accounts payable	17	15,844,279	13,083,059
Accruals and other payables	18	4,947,242	2,735,018
Total Current Liabilities		20,791,521	15,818,077
TOTAL EQUITY AND LIABILITIES		45,343,016	29,413,093

(Notes on pages 8 to 22 form an integral part of these financial statements)

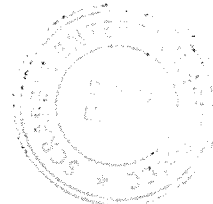
We approve these Financial Statements and confirm that we are responsible for them, including the selection of the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were approved on 27th April 2017.

FOR SCRABBLE ENTERTAINMENT DMCC

Mr. Pruthi Rajesh Shah

Manager

Pruthi Shah



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2017

		31-Mar-17	31-Mar-16
	Notes	AED	AED
Sales	19	60,886,328	64,013,934
Less: Cost of sales	20	(47,110,386)	(49,238,772)
Gross profit		13,775,941	14,775,162
Add: other income	21	1,332,833	1,164,283
		15,108,774	15,939,445
<u>Less: General & Administrative Expenses</u>			
<u>and Other Charges</u>			
General & administration expenses	22	3,506,406	3,593,480
Finance charges	23	32,098	32,390
Depreciation expenses	5	725,685	925,933
Total expenses		4,264,189	4,551,803
Net income transferred to retained earnings		10,844,585	11,387,642

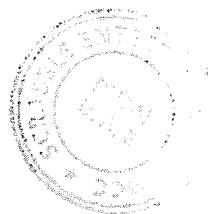
(Notes on pages 8 to 22 form an integral part of these financial statements)

FOR SCRABBLE ENTERTAINMENT DMCC

Pruthi Shah

Mr. Pruthi Rajesh Shah

Manager



SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

	Capital	Legal Reserve	Current accounts	Retained earnings	Total
	AED	AED	AED	AED	AED
As at 01/04/2015	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
Transfer from income statement			-	10,844,585	10,844,585
As at 31/03/2017	3,000,000	1,500,000	(3,302,563)	22,929,107	24,126,545

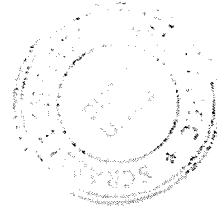
(Notes on pages 8 to 22 form an integral part of these financial statements)

FOR SCRABBLE ENTERTAINMENT DMCC

Pruthi Rajesh Shah

Mr. Pruthi Rajesh Shah

Manager



SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2017

	31-Mar-17	31-Mar-16
	AED	AED
<u>Cash Flow from Operating Activities</u>		
Operating profit for the period	10,844,585	11,387,642
Adjustments for:-		
Depreciation of property, plant & equipment	725,685	925,933
Employees' end of service benefits	111,894	115,636
(Profit)/loss on sale of assets	(76,176)	(274,465)
Operating Income Before Working Capital Changes	11,605,988	12,154,746
<u>(Increase) / Decrease in operating assets</u>		
Inventory	(1,509,503)	456,245
Accounts receivable	702,184	(5,892,773)
Related party balances	(27,266)	167,428
Deposits, prepayments and other receivables	(355,793)	(1,600,124)
<u>Increase / (Decrease) in operating liabilities</u>		
Trade Creditors	2,761,220	4,180,479
Accruals and other payables	2,212,224	1,904,720
Net Cash Flow from Operating Activities	15,389,053	11,370,721
<u>Cash Flow from Investing Activities</u>		
Purchase of property, plant & equipment	(48,440)	(366,156)
Proceeds from sale of fixed assets	97,660	483,210
Net Cash Outflow from Investing Activities	49,220	117,054
<u>Cash Flow from Financing Activities</u>		
Shareholder's loan	(109,000)	1,331,003
Dividend declared and paid	-	(12,000,000)
Deposits with banks	(10,011,882)	(1,332,745)
Net Cash flow from Financing Activities	(10,120,881)	(12,001,742)
Add opening cash and bank balances	4,466,695	4,980,662
Closing cash and cash equivalents	9,784,087	4,466,695

(Notes on pages 8 to 22 form an integral part of these financial statements)

FOR SCRABBLE ENTERTAINMENT DMCC

R. H. Shah

Mr. Pruthi Rajesh Shah
Manager



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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	Country	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.

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.

SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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 to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations.
- ♦ Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation.
- ♦ Amendments to IAS 16 and IAS 41 Agriculture : Bearer Plants
- ♦ Amendments to IAS 27 Equity Method in Separate Financial Statements
- ♦ Amendments to IAS 1 Disclosure Initiative
- ♦ Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception.
- ♦ Annual Improvements 2012-2014 Cycle

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
♦ IFRS 9 Financial Instruments (2014)	1-Jan-18
♦ IFRS 15 Revenue from Contracts with Customers	1-Jan-18
♦ IFRS 16 Leases specifies how an IFRS reporter will recognise, measure, present and	1-Jan-19
♦ Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1-Jan-17
♦ Amendments to IAS 7 Disclosure Initiative	1-Jan-17
♦ Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions.	1-Jan-18
♦ Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet determined
♦ Amendments to IAS 40 - Transfers of Investment Property	1-Jan-18
♦ Annual Improvements 2014-2016 Cycle:	
IFRS 1 & IAS 28	1-Jan-18
IFRS 12	1-Jan-17
♦ IFRIC 22 Foreign Currency Transactions and Advance Consideration	1-Jan-18

SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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

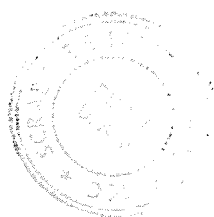
4.3 Inventories

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.



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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.

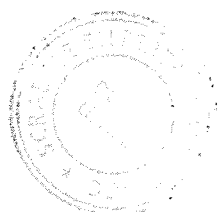
4.8 Financial Liabilities

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.



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NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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.

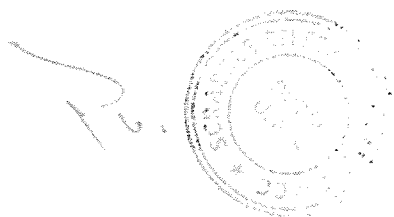
4.11 Revenue recognition

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.



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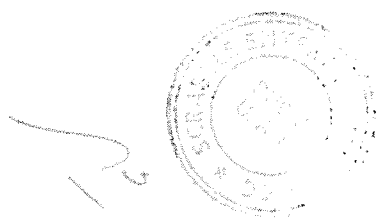
NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

5- PROPERTY, PLANT & EQUIPMENT (Net)

	Equipment	Leasehold Improvement	Vehicles	Furniture & fixtures	Total
<u>Cost</u>	AED	AED	AED	AED	AED
As at 01/04/16	3,782,785	335,880	243,565	110,975	4,473,205
Additions	42,117	-	-	6,323	48,440
Deletions	(166,471)	-	-	-	(166,471)
As at 31/03/17	3,658,430	335,880	243,565	117,298	4,355,174
As at 01/04/16	2,879,925	302,821	145,936	65,619	3,394,301
For the period	628,326	33,059	44,747	19,553	725,685
Deletions	(144,985)	-	-	-	(144,985)
As at 31/03/17	3,363,266	335,880	190,683	85,172	3,975,001
<u>Net Book Value</u>					
As at 31/03/17	295,165	-	52,882	32,126	380,173
As at 31/03/16	902,860	33,059	97,629	45,356	1,078,904

(In the opinion of the management there is no impairment to the net book value of the property, plant & equipment as at 31st March 2017).

(Motor Vehicle with net book value of AED.52,882/- (Previous year AED.86,211/-) is registered in the name of a third party)



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NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

6- INVESTMENTS

	31-Mar-17	31-Mar-16
	AED	AED
Scrabble Entertainment (Lebanon) SARL - Lebanon	12,258	12,258
Scrabble Ventures S. de R.L. de C.V - Mexico	708	708
	<u>12,966</u>	<u>12,966</u>

These amounts represent capital investment made in these companies.

7- INVENTORY

	31-Mar-17	31-Mar-16
	AED	AED
Inventory	2,717,109	1,207,606
	<u>2,717,109</u>	<u>1,207,606</u>

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-17	31-Mar-16
	AED	AED
Trade debtors	17,292,231	17,701,958
Less: Doubtful debts provision	(1,128,340)	(835,883)
	<u>16,163,891</u>	<u>16,866,075</u>

SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

Ageing of Accounts Receivable

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	AED	AED
0 to 90 days	12,281,964	11,485,084
91 to 180 days	3,364,054	5,069,956
181 to 365 days	1,035,745	622,070
Above 365 days	610,468	524,848
	<u>17,292,231</u>	<u>17,701,958</u>

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.

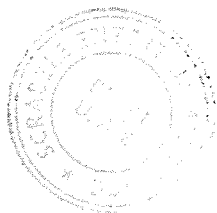
As at March 31, 2017 top 5 trade receivable balances represents 30% (previous year 44%) of the total trade receivable balances outstanding.

9- DUE FROM RELATED PARTIES

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.

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	AED	AED
M/s. Scrabble Digital DMCC, Dubai	-	4,155
M/s. Scrabble Entertainment (Lebanon) SARL	281,846	250,425
M/s. Scrabble Digital INC, U.S.A.	183,500	183,500
	<u>465,346</u>	<u>438,080</u>



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NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

Summary of transactions:-

	Scrabble Digital DMCC, Dubai	Scrabble Entertainment (Lebanon) SARL	Scrabble Digital INC, U.S.A
	AED	AED	AED
<u>Opening balance</u>	4,155	250,425	183,500
Receipts	(4,155)	-	-
Payments	-	31,421	-
<u>Closing balance</u>	-	281,846	183,500

b) Due to related parties:-

	31-Mar-17	31-Mar-16
	AED	AED
M/s: UFO International Limited, Cyprus	-	-
	-	-

Summary of transactions:-

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

10- LOAN TO SHAREHOLDER

	31-Mar-17	31-Mar-16
	AED	AED
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	1,906,496	1,797,496
	1,906,496	1,797,496

SCRABBLE ENTERTAINMENT DMCC
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NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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, 2017. 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-17</u>	<u>31-Mar-16</u>
	AED	AED
Refundable deposits	60,500	80,450
Prepaid expenses	490,518	415,155
Staff advances	7,235	158,772
Advance to suppliers	2,010,066	1,558,149
	<u>2,568,319</u>	<u>2,212,526</u>

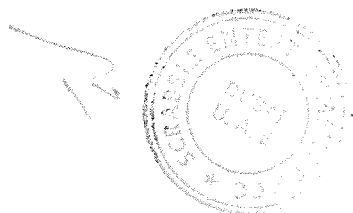
12- DEPOSITS WITH BANKS

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	AED	AED
RAK Bank, Dubai - Fixed deposits	11,344,627	1,332,745
	<u>11,344,627</u>	<u>1,332,745</u>

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-17</u>	<u>31-Mar-16</u>
	AED	AED
Cash in hand	6,464	16,926
RAK Bank, Dubai - current account AED	8,136,232	4,190,812
RAK Bank, Dubai - current account USD	1,641,394	258,957
	<u>9,784,089</u>	<u>4,466,695</u>



SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

14- CAPITAL ACCOUNT

	31-Mar-17	31-Mar-16
	AED	AED
M/s. Scrabble Entertainment Ltd.,	300,000	300,000
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	2,700,000	2,700,000
	<u>3,000,000</u>	<u>3,000,000</u>

15- SHAREHOLDERS' CURRENT ACCOUNT

	31-Mar-17	31-Mar-16
	AED	AED
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	(3,302,563)	(3,302,563)
	<u>(3,302,563)</u>	<u>(3,302,563)</u>

16- PROVISION FOR STAFF END OF SERVICE BENEFITS

	31-Mar-17	31-Mar-16
	AED	AED
Provision for Gratuity	424,950	313,056
	<u>424,950</u>	<u>313,056</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.

17- ACCOUNTS PAYABLES

	31-Mar-17	31-Mar-16
	AED	AED
Trade Payable	15,844,279	13,083,059
	<u>15,844,279</u>	<u>13,083,059</u>

SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

Analysis of Accounts Payable

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	AED	AED
0 to 90 days	10,827,717	8,952,223
91 to 180 days	4,640,304	3,116,356
181 to 365 days	161,786	813,167
Above 365 days	214,472	201,312
	<u>15,844,279</u>	<u>13,083,058</u>

18- ACCRUALS AND OTHER PAYABLES

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	AED	AED
Advance from customers	4,454,589	2,336,112
Deferred AMC & part warranty	428,427	343,856
Other payables	64,226	55,050
	<u>4,947,242</u>	<u>2,735,018</u>

19- SALES

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	AED	AED
Equipment & spares	28,695,375	29,525,388
Virtual print fee	32,190,953	34,488,546
	<u>60,886,328</u>	<u>64,013,934</u>

20- COST OF SALES

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	AED	AED
Materials consumed	23,365,379	24,417,672
Virtual print fee expenses	22,541,522	24,173,073
Other direct expenses	1,203,486	648,027
	<u>47,110,386</u>	<u>49,238,772</u>

SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

21- OTHER INCOME

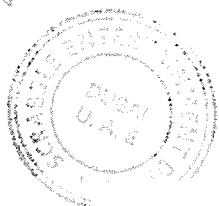
	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	<u>AED</u>	<u>AED</u>
Interest	240,803	298,936
Spare parts warranty & other income	1,015,854	590,882
Profit on sale of assets	76,176	274,465
	<u>1,332,833</u>	<u>1,164,283</u>

22- GENERAL AND ADMINISTRATIVE EXPENSES

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	<u>AED</u>	<u>AED</u>
Payroll and related expenses	2,312,946	2,226,425
Rent expenses	216,160	203,294
Electricity & water	45,680	54,027
License & registration fees	30,699	26,873
Business promotions	38,843	28,906
Travelling & conveyance expenses	186,146	172,454
Petrol & car maintenance	75,541	73,171
Postage, telephone, fax & internet	114,699	106,672
Insurance	26,870	33,182
Printing & stationary	17,436	10,290
Professional fee	54,600	32,000
Immigration and visa expenses	11,130	35,409
Bad & doubtful debts	292,457	491,390
Miscellaneous & other expenses	83,198	99,387
	<u>3,506,406</u>	<u>3,593,480</u>

23- FINANCE CHARGES

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	<u>AED</u>	<u>AED</u>
Bank charges	32,098	32,390
	<u>32,098</u>	<u>32,390</u>



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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 .



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2017

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-17	31-Mar-16
	AED	AED
Letter of Guarantee	-	424,000
Labour Guarantee	42,000	42,000
	42,000	466,000

25- GENERAL

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

* 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.

FOR SCRABBLE ENTERTAINMENT DMCC

Mr. Pruthu Rajesh Shah
Manager

