

**SCRABBLE ENTERTAINMENT DMCC**

**(THE COMPANY ONLY)**

**DUBAI - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2026**

**AND INDEPENDENT AUDITOR'S REPORT**

**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

**DUBAI - UNITED ARAB EMIRATES**

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**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report together with the audited financial statements of SCRABBLE ENTERTAINMENT DMCC (Company Only) (the 'Entity') for the year ended 31 March 2026.

**PRINCIPAL ACTIVITIES**

The principal activities of the Entity is trading in Audio-Visual, Recording equipments and accessories.

**ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the financial statements are given on Note 3 to the financial statements.

**FINANCIAL ANALYSIS**

The table below summarizes the results of 31 March 2026 and 31 March 2025 .

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
<b><u>Summarized Income Statement</u></b>		
Revenue	15,398,606	21,134,030
Less: Cost of revenue	(12,175,955)	(16,461,120)
<b>Gross profit</b>	<b>3,222,651</b>	<b>4,672,910</b>
Add: Other income	3,212,392	2,804,761
Less: General and administrative expenses	(3,940,440)	(3,974,160)
Less: Director's remuneration	(43,476)	(43,138)
Less: Finance expenses	(34,020)	(44,294)
Less: Depreciation	(257,644)	(218,343)
Less : Depreciation - Right of use of asset	(76,576)	(69,656)
<b>Net profit before tax</b>	<b>2,082,887</b>	<b>3,128,080</b>
Less : Income tax expenses	(3,504)	(164,428)
<b>Net profit after tax</b>	<b>2,079,383</b>	<b>2,963,652</b>
<b>Gross profit %</b>	<b>20.93%</b>	<b>22.11%</b>
<b>Net profit %</b>	<b>13.50%</b>	<b>14.02%</b>
<b><u>Summarized Balance Sheet</u></b>		
<b><u>Assets &amp; Liabilities</u></b>		
Non current assets	1,653,788	1,364,821
Current assets	17,543,638	12,417,194
Non current liabilities	(1,598,896)	(1,281,129)
Current liabilities	(9,184,890)	(6,166,629)
	<b>8,413,640</b>	<b>6,334,257</b>
<b><u>Equity</u></b>		
Share capital, contributions and reserves	4,500,000	4,500,000
Retained earnings	3,913,640	1,834,257
	<b>8,413,640</b>	<b>6,334,257</b>



**DIRECTORS' REPORT (continued)**

**DIRECTORATE**

The current Directorate of the Entity is set out below:

Mr. Sunil Patil

Mr. Ashish Sadanand Malushte

Mr. Rajesh Bhawati Mishra

Mrs. Swati Mohan

Mr. Rajiv Batra

**BRANCHES**

There are no branches of the company, other than (if any) disclosed in note # 1 of these financial statements.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The Governing Law requires the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the Entity and of the net profit or loss for the year.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Entity and to enable them to ensure that the financial statements comply with relevant Governing Laws.

**AUDITORS**

The financial statements have been audited by M/s. Parker Russell Obaid Auditing, who retire, and being eligible, offer themselves for reappointment.

On behalf of the Board of Directors

  
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Mr. Pruthu Rajesh Shah

Manager

Dubai - United Arab Emirates.



Scrabble Entertainment DMCC

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Registered and Licensed as a freezone Company under the rules and regulations of DMCCA.

## **INDEPENDENT AUDITOR'S REPORT**

THE SHAREHOLDERS

SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)

DUBAI - UNITED ARAB EMIRATES

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of SCRABBLE ENTERTAINMENT DMCC (Company Only) (the 'Entity'), which comprises the statement of financial position as at 31 March 2025 and the statement of profit or loss and other 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31 March 2026 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **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 Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Entity's financial statements in the UAE, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The Management and Directors are responsible for the other information. The other information comprises Directors report which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the requirements of DMCCA Company Regulations 2020 and the requirements of UAE Federal Decree Law No. (32) of 2021 and its amendments, and for such internal control as management determines 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives 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 ISA's, we exercise professional judgment and maintain professional skepticism throughout 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 disclosure are inadequate, to modify our opinion. 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 Entity to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT (continued)**

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

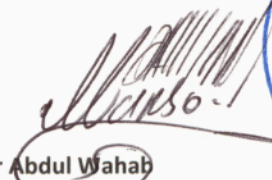
We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

Further, as required by the the requirements of DMCCA Company Regulations 2020 and the requirements of UAE Federal Decree Law No. (32) of 2021 and its amendments, 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 the requirements of DMCCA Company Regulations 2020 and the requirements of UAE Federal Decree Law No. (32) of 2021 and its amendments;
- iii) the Entity has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Entity;
- v) note # 10 to the financial statements discloses material related party transactions and the terms under which they were conducted;
- 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 Entity has contravened during the financial year ended 31 March 2026 any of the applicable provisions of the the requirements of DMCCA Company Regulations 2020 and the requirements of UAE Federal Decree Law No. (32) of 2021 and its amendments or of its Articles of Association which would materially affect its activities or its financial position as at 31 March 2026.

**Parker Russell Obaid Auditing**

  
**Mansour Abdul Wahab**

Registered Auditor No. 381


Dubai, United Arab Emirates

05 May 2026



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
**DUBAI - UNITED ARAB EMIRATES**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026**

<u>ASSETS</u>	<u>Notes</u>	<u>31-Mar-26</u> AED	<u>31-Mar-25</u> AED
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	907,342	750,319
Right-of-use assets	6	375,738	243,794
Investments	7	370,708	370,708
<b>Total non-current assets</b>		<b>1,653,788</b>	<b>1,364,821</b>
<b>CURRENT ASSETS</b>			
Inventories	8	721,215	871,447
Trade and other receivables	9	13,752,411	7,951,437
Due from related parties	10.2.1	-	15,251
Deposits with banks	11	2,217,500	2,252,400
Cash and bank balances	12	852,512	1,326,659
<b>Total current assets</b>		<b>17,543,638</b>	<b>12,417,194</b>
<b>TOTAL ASSETS</b>		<b>19,197,426</b>	<b>13,782,015</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	13	3,000,000	3,000,000
General reserve	14	1,500,000	1,500,000
Retained earnings		3,913,640	1,834,257
<b>Total equity</b>		<b>8,413,640</b>	<b>6,334,257</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provision for end of service benefits	15	1,337,719	1,135,447
Lease Liabilities - non current	16.1	261,177	145,682
<b>Total non-current liabilities</b>		<b>1,598,896</b>	<b>1,281,129</b>
<b>CURRENT LIABILITIES</b>			
Lease Liabilities - current	16.2	93,500	78,000
Trade and other payables	17	9,091,390	6,088,629
<b>Total current liabilities</b>		<b>9,184,890</b>	<b>6,166,629</b>
<b>Total liabilities</b>		<b>10,783,786</b>	<b>7,447,758</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>19,197,426</b>	<b>13,782,015</b>

  
 Mr. Pruthu Rajesh Shah  
 Manager



The accompanying notes form an integral part of these financial statements.

**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
**DUBAI - UNITED ARAB EMIRATES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2026**

	<u>Notes</u>	<u>31-Mar-26</u> AED	<u>31-Mar-25</u> AED
Revenue	18	15,398,606	21,134,030
Cost of revenue	19	(12,175,955)	(16,461,120)
<b>Gross profit</b>		<b>3,222,651</b>	<b>4,672,910</b>
Other income	20	3,212,392	2,804,761
		<b>6,435,043</b>	<b>7,477,671</b>
<b>Less:</b>			
General & administrative expenses	21	3,940,440	3,974,160
Director's remuneration	22	43,476	43,138
Finance charges	23	34,020	44,294
Depreciation of property, plant & equipment	5	257,644	218,343
Depreciation - Right of use of asset	6	76,576	69,656
<b>Total expenses</b>		<b>4,352,156</b>	<b>4,349,591</b>
<b>Net profit for the year before tax</b>		<b>2,082,887</b>	<b>3,128,080</b>
Corporate tax expenses	24	(3,504)	(164,428)
<b>Net profit after tax</b>		<b>2,079,383</b>	<b>2,963,652</b>
Other comprehensive income/(expenses)		-	-
<b>Total comprehensive Income for the year</b>		<b>2,079,383</b>	<b>2,963,652</b>



*The accompanying notes form an integral part of these financial statements.*

**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

DUBAI - UNITED ARAB EMIRATES

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026**

	Share Capital	General Reserve	Retained Earnings	Total
	AED	AED	AED	AED
<b>Balance as at 01 April 2024</b>	3,000,000	1,500,000	6,871,605	11,371,605
Total comprehensive income for the year	-	-	2,963,652	2,963,652
Interim dividend declared and paid	-	-	(8,001,000)	(8,001,000)
<b>Balance as at 31 March 2025</b>	3,000,000	1,500,000	1,834,257	6,334,257
Total comprehensive income for the year	-	-	2,079,383	2,079,383
<b>Balance as at 31 March 2026</b>	3,000,000	1,500,000	3,913,640	8,413,640



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**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

DUBAI - UNITED ARAB EMIRATES

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026**

	Notes	31-Mar-26 AED	31-Mar-25 AED
<b><u>Cash flows from operating activities</u></b>			
Net profit for the year		2,079,383	2,963,652
<b><u>Adjustments for:</u></b>			
Depreciation of property, plant & equipment	5	257,644	218,343
Amortization of right-of-use assets	6	76,576	69,656
Finance costs	23	34,020	44,294
Provision for end of service benefits	15	235,669	125,901
<b>Operating cash flows before working capital changes</b>		<b>2,683,292</b>	<b>3,421,846</b>
<b><u>Working capital changes</u></b>			
Inventory		150,232	(101,596)
Trade and other receivables		(5,800,974)	203,295
Due from related parties		15,251	(3,526)
Trade and other payables		3,002,761	(1,782,960)
<b>Cash generated from operating activities</b>		<b>50,562</b>	<b>1,737,059</b>
Interest paid	23	(18,045)	(29,931)
End of service benefits paid	15	(33,397)	-
<b>Net cash flows from operating activities</b>		<b>(879)</b>	<b>1,707,128</b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of property, plant & equipment	5	(414,667)	(207,123)
Lease rent paid		(93,500)	(78,000)
Fixed / margin deposits with banks		34,900	4,000,000
<b>Net cash flows from/(used in) investing activities</b>		<b>(473,267)</b>	<b>3,714,877</b>
<b><u>Cash flows from financing activities</u></b>			
Interim dividend paid		-	(8,001,000)
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>(8,001,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(474,147)</b>	<b>(2,578,996)</b>
Opening cash and cash equivalents		1,326,659	3,905,655
<b>Closing cash and cash equivalents</b>	12	<b>852,512</b>	<b>1,326,659</b>



The accompanying notes form an integral part of these financial statements.

**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
**DUBAI - UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

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**1 CORPORATE INFORMATION**

**1.1 General**

SCRABBLE ENTERTAINMENT DMCC ("the Entity") is registered as a Company with Limited Liability in Dubai Multi Commodities Centre, Dubai, United Arab Emirates, incorporated under the provisions of the DMCCA Company Regulations 2020 by the Dubai Multi Commodities Centre Authority. The Entity operates under Trade license No. JLT-66360 issued on 27 September 2011.

The registered office of the Entity is Unit No. 2405, 1-Lake Plaza, Plot No. JLT-PH2-T2A, Jumeirah Lake Towers, Dubai, United Arab Emirates.

**1.2 Principal activities**

The principal activities of the Entity is trading in Audio-Visual, Recording equipments and accessories.

**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 DMCCA Company Regulations 2020 and the requirements of UAE Federal Decree Law No. (32) of 2021 and its amendments.

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

These financial statements are presented in United Arab Emirates Dirham (AED), the Entity's functional and presentation currency and are rounded to the nearest value.

**2.4 Use of estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods effected.

Significant areas where considerable management judgment is required are disclosed along with accounting policies.

**2.5 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.

**2.6 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.



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
**DUBAI - UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**3 SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Changes in accounting policies**

The accounting policies applied in the preparation of these financial statements are consistent with those applied by the Entity in its annual audited financial statements as at and for the year ended 31 March 2025, except to the extent of impact of the 'New and revised IFRSs adopted on these financial statements' from 1 April 2021, as set out in Note 4.

**3.2 Foreign currencies**

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 denominated 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.

**3.3 Property, plant and equipment**

**(a) Cost and valuation**

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition or construction. Where items of property, plant and equipment are subsequently revalued such revalued property, plant and equipment are carried at revalued amounts less any subsequent depreciation thereon and impairment.

**(b) Subsequent costs**

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost can be reliably measured.

Cost of repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

**(c) Depreciation**

Depreciation on property, plant & equipment is provided on a straight line basis at the rates calculated to write off the cost of each asset by equal annual instalments over its expected useful life.

Management reviews the residual values and estimated useful lives at the end of each annual reporting period in accordance with IAS 16 and IAS 38. Management determined that current year expectations do not differ from previous estimates based on its review.

The rates of depreciation are based upon the following estimated useful lives: -

Furniture & Fittings	6 Years
Equipment	3 to 6 Years
Building renovations	3 Years
Vehicles	3 Years



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

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**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Derecognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

**3.4 Investment in subsidiaries**

Investment in subsidiaries is measured at acquisition cost less impairment losses, if any.

**3.5 Investment in associates**

Associates are those entities in which the Entity has significant influence, but not control or joint control, over the financial and operating policies.

Investment in associates are accounted for using the cost method.

**3.6 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first in first out 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.

**3.7 Impairment of non-financial assets**

Assets that have an indefinite useful life are not 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.

**3.8 Financial instruments**

Financial assets and financial liabilities are recognized in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

**3.9 Financial assets**

**Initial measurement**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

**Subsequent classification and measurement**

For the purposes of subsequent measurement, financial assets are classified in four categories:



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
**DUBAI - UNITED ARAB EMIRATES**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

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**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Financial assets at amortized cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

• **Financial assets at amortized cost**

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

• **Financial assets at fair value through OCI (debt instruments)**

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

• **Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

• **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

**Impairment of financial assets**

The Entity has financial assets under "trade and other receivables" that are subject to the expected credit loss model under IFRS 9. The Entity has applied the simplified approach to measuring the expected credit losses which uses lifetime expected losses allowance for all trade receivables and financial investments, if any. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and days past due. The revised impairment methodology has not resulted in additional credit loss in trade receivables.

**Derecognition of financial assets**

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

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**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

- The Entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- The Entity has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Entity has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent It has retained the risks and rewards of ownership. When It has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

**3.10 Financial liabilities**

**Initial measurement**

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Subsequent classification and measurement**

For the purposes of subsequent measurement, financial liabilities are classified in two categories at the time of initial recognition:

- Financial liabilities at amortized cost
- Financial liabilities at fair value through profit or loss

**Financial liabilities at amortized cost**

Financial liabilities at amortized cost are subsequently measured using the effective interest (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, derivative financial liabilities, and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities fair value through profit or loss are subsequently measured at fair value. Gains and losses are recognized in profit or loss when the liabilities are derecognized.



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

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**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Derecognition of financial liabilities**

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognized in the profit or loss.

**3.11 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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**3.12 Fair value of financial instruments**

Management considers that the fair values of the Entity's financial assets and liabilities are not materially different from their carrying values in the date of statement of financial position.

**3.13 Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are stated at the amounts that they are estimated to realize net of provision for bad and doubtful receivables.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

**Allowance for doubtful debts**

Allowance for doubtful debts is determined using a combinations of factors to ensure that the receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors including the overall quality and ageing of the receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Entity becomes aware of the customer's liability to meet its financial obligations.

**3.14 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.

**3.15 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.16 Provisions**

Provisions 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.

**3.17 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.

**3.18 Revenue recognition**

***Revenue from contracts with customers***

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

**Step 1** Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

**Step 2** Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

**Step 3** Determine the transaction price: Transaction price is the amount of consideration to which the Entity expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

**Step 4** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Entity expects to be entitled in exchange for satisfying each performance obligation.

**Step 5** Recognize revenue as and when the Entity satisfies a performance obligation.

The Entity satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Entity's performance as the Entity performs; or
- The Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Entity's performance does not create an asset with an alternative use to the Entity and the Entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.



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**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Entity has elected to apply the input method. The Entity considers that the use of input method, which requires revenue recognition on the basis of the Entity's efforts to the satisfaction of the performance obligation, provides the best reference to revenue actually earned. In applying the input method the Entity estimates the cost to complete the projects in order to determine the amount of revenue to be recognized. These estimates include the cost of providing infrastructure, potential claims by contractors and the cost of meeting other contractual obligations to the customers.

When the Entity satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Entity assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Entity has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognized in the income statement to the extent that it is probable that the economic benefits will flow to the Entity and the revenue and costs, if applicable, can be measured reliably.

**4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

**4.1 New and revised IFRSs adopted on these financial statements**

The following new and revised International Financial Reporting Standards (IFRS), which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these financial statements:

New and revised IFRSs	Effective for annual years beginning on or after
<u><i>Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of</i></u> The amendments provide guidance on determining whether a currency is exchangeable and how to determine the exchange rate when it is not.	01-Jan-25
<u><i>Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability</i></u>	01-Jan-25

**4.2 New and revised IFRSs in issue but not yet effective**

The Entity has not early adopted the following new and revised IFRSs that have been issued but are not yet effective:

<u><i>IFRS 9 - Financial Instruments</i></u> The amendments address the classification and measurement of financial	01-Jan-26
<u><i>IFRS 18 – Presentation and Disclosure in Financial Statements</i></u> IFRS 18 introduces new requirements for the presentation and disclosure of financial performance.	01-Jan-27



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**4 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)  
 (continued)**

New and revised IFRSs	Effective for annual years beginning on or after
<p><u><i>IFRS 19 - Subsidiaries without Public Accountability: Disclosures</i></u>                      IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements.</p>	01-Jan-27
<p><u><i>Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011)</i></u>                      The amendments address the accounting for the sale or contribution of assets between an investor and its associate or joint venture.</p>	Effective date deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they become applicable. The impact of their adoption is currently being assessed; however, they are not expected to have a material impact on the financial statements of the Entity in the period of initial application, except for potential additional disclosures

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**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

DUBAI - UNITED ARAB EMIRATES

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**5 PROPERTY, PLANT & EQUIPMENT**

<b>Cost</b>	<b>Equipment</b>	<b>Building Renovations</b>	<b>Vehicles</b>	<b>Furniture &amp; Fixtures</b>	<b>Total</b>
	AED	AED	AED	AED	AED
Balance as at 01 April 2025	4,093,418	124,750	376,196	99,364	4,693,728
Purchased during the year	414,667	-	-	-	414,667
Disposals	(2,000)	-	(150,000)	-	(152,000)
<b>Balance as at 31 March 2026</b>	<b>4,506,085</b>	<b>124,750</b>	<b>226,196</b>	<b>99,364</b>	<b>4,956,395</b>
<b>Accumulated Depreciation</b>					
Balance as at 01 April 2025	3,507,995	66,788	313,412	55,214	3,943,409
Charged for the year	204,139	14,950	26,831	11,724	257,644
Disposals	(2,000)	-	(150,000)	-	(152,000)
<b>Balance as at 31 March 2026</b>	<b>3,710,134</b>	<b>81,738</b>	<b>190,243</b>	<b>66,938</b>	<b>4,049,053</b>
<b>Net Book Value</b>					
Balance as at 31 March 2026	795,951	43,012	35,953	32,426	907,342
Balance as at 31 March 2025	585,423	57,962	62,784	44,150	750,319



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**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

**DUBAI - UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**6 RIGHT-OF-USE ASSETS**

The Entity leases office and the lease term considered is for 5 years.

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
At 1 April	243,794	313,450
Addition during the year	208,520	-
Depreciation expenses	(76,576)	(69,656)
<b>Balance at 31 March</b>	<b>375,738</b>	<b>243,794</b>

**7 INVESTMENTS**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
<i><u>Investment in subsidiary</u></i>		
M/s. Scrabble Audio Visual Equipment Trading LLC - Dubai, U.A.E.	300,000	300,000
<i><u>Investment in joint venture</u></i>		
M/s. Scrabble Ventures S. de R.L. de C.V - Mexico	708	708
<i><u>Investment Others</u></i>		
M/s. Scrabble Digital Services DMCC - Dubai, U.A.E.	70,000	70,000
	<b>370,708</b>	<b>370,708</b>

**Scrabble Audio Visual Equipment Trading LLC., - Dubai, United Arab Emirates.**

On 25 June 2018, Scrabble Audio Visual Equipment Trading LLC - Dubai was incorporated by the Entity with holding 49% interest in the Associate at a cost of AED 147,000.

On 28 September 2023, followed by a share sale agreement and amendment to memorandum of association of Scrabble Audio Visual Equipment Trading LLC notarized in the Dubai Courts, shareholder Mrs. Tahani Rashid Dafoos Rashid Almheiri holding 51% shares of the Entity sold 100% of her shares to M/s: Scrabble Entertainment DMCC, Dubai and the later became 100% shareholder of Scrabble Audio Visual Equipment Trading LLC, Dubai, United Arab Emirates.

**Scrabble Ventures S. de R.L. de C.V - Mexico**

On 26 July 2013, the Entity invested in Scrabble Ventures S. de R.L. de C.V - Mexico, a Joint Venture, representing a 50% Interest in the Venture at a cost of AED 708.

**Scrabble Digital Services DMCC., - Dubai, United Arab Emirates.**

On 6 January 2023, the entity paid AED. 70,000/- as investment against 70 shares @ AED. 1,000/- per share which represents 18.5% shares in Scrabble Digital Services DMCC, Dubai, U.A.E..

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**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

DUBAI - UNITED ARAB EMIRATES

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**8 INVENTORY**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Gross inventory	1,006,836	1,147,955
<i>Less: Allowance for obsolete inventories</i>	(285,621)	(276,508)
<b>Net inventory</b>	<b>721,215</b>	<b>871,447</b>

**9 TRADE & OTHER RECEIVABLES**

	<u>NOTE</u>	<u>31-Mar-26</u>	<u>31-Mar-25</u>
		AED	AED
Trade receivables	9.1	12,004,447	9,150,507
<i>Less: Provision for doubtful debts</i>		(1,323,553)	(1,614,366)
<b>Net trade receivables</b>		<b>10,680,894</b>	<b>7,536,141</b>
Prepayments		253,806	236,139
Staff loans and advances		314,977	55,444
Deposits		1,835,000	-
Advance to suppliers & other receivables		667,734	123,713
		<b>13,752,411</b>	<b>7,951,437</b>

**9.1 Ageing of trade receivables**

0 to 90 days	10,351,469	7,500,370
91 to 180 days	145,588	8,573
181 to 240 days	179,016	-
241 to 365 days	9,640	54,397
Above 365 days	1,318,733	1,587,167
	<b>12,004,447</b>	<b>9,150,507</b>

**Movement of provision for doubtful debts is as follows:**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Balance at the beginning of the year	1,614,366	1,527,593
Provided during the year	5,768	86,773
Written off during the year	(296,581)	-
<b>Balance at the end of the year</b>	<b>1,323,553</b>	<b>1,614,366</b>



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

DUBAI - UNITED ARAB EMIRATES

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**10 RELATED PARTIES**

**10.1 Identity of related parties**

Related parties comprise the shareholders of the Entity, key management personnel and such other entities over which the Entity, its shareholders or the key management personnel can exercise control or significant influence or can be controlled or significantly influenced by those Entities. The terms of these transactions are approved by the Entity's management.

**10.2 Balances**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
<b>10.2.1 Due from related parties</b>		
M/s. Scrabble Digital Services DMCC, Dubai, U.A.E.	-	12,209
M/s. Scrabble Audio Visual Equipment Trading LLC - Dubai, U.A.E.	-	3,042
	<u>-</u>	<u>15,251</u>

**10.3 Transactions with related parties**

Significant transactions with related parties during the period included:

		<u>31-Mar-26</u>	<u>31-Mar-25</u>
	NOTE	AED	AED
Funds received from /expenses paid by related parties		3,218,357	1,830,116
Fund transfers to / expense paid for related parties		2,729,744	1,524,832
Sales made to related parties	18	473,362	313,029
Consultancy Income	20	312,000	228,000

**10.4 Transactions with key management personal**

Management remuneration	21	<u>1,263,932</u>	<u>1,263,301</u>
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**11 DEPOSITS WITH BANKS**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Fixed deposit	1,252,400	2,252,400
Margin deposit	965,100	-
	<u>2,217,500</u>	<u>2,252,400</u>



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

**DUBAI - UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**12 CASH AND BANK BALANCES**

Cash and cash equivalents included in the statement of cash flows comprise the followings:

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Cash balances	3,828	404
Bank balances	848,684	1,326,255
<b>Cash and bank balances</b>	<b>852,512</b>	<b>1,326,659</b>

**13 SHARE CAPITAL**

The capital of the Entity is AED 3,000,000 (Dirhams Three Million only), with limited liability, divided into 3,000 (Three Thousand) shares, the value of each share being AED 1,000 (Dirhams One Thousand Only).

The present shareholder of the Entity is as follows:

Name of shareholder	%	No. of Shares	Total Value In AED
M/s. UFO Movlez India Ltd., India	100%	3,000	3,000,000

**14 GENERAL RESERVE**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Balance at the beginning of the year	1,500,000	1,500,000
<b>Balance at the end of the year</b>	<b>1,500,000</b>	<b>1,500,000</b>

**15 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Balance at the beginning of the year	1,135,447	1,009,546
Charged during the year	235,669	125,901
Paid during the year	(33,397)	-
<b>Balance at the end of the year</b>	<b>1,337,719</b>	<b>1,135,447</b>



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

**DUBAI - UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**16 LEASE LIABILITIES**

Set out below are the carrying amounts of lease liabilities in connection with lease of office premises.

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Balance at the beginning of the year	223,682	287,319
Additions during the year	208,520	-
Finance cost	15,975	14,363
Paid during the year	(93,500)	(78,000)
<b>Balance at the end of the year</b>	<b>354,677</b>	<b>223,682</b>
16.1) Non - current	261,177	145,682
16.2) Current	93,500	78,000
	<b>354,677</b>	<b>223,682</b>

**17 TRADE & OTHER PAYABLES**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Trade payables	6,388,677	2,863,236
Accrued expenses and other payables	1,814,730	1,802,438
Advance from customers	846,716	1,214,235
Deferred AMC & part warranty	35,669	24,560
VAT payable	5,598	19,732
Provision for Income Tax	-	164,428
	<b>9,091,390</b>	<b>6,088,629</b>

**18 REVENUE**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Equipment & spares	15,229,579	20,767,112
AMC & part warranty income	169,027	366,918
	<b>15,398,606</b>	<b>21,134,030</b>

Revenue includes sales made to related parties amounting to AED 473,362 (2025: AED 313,029).



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**19 COST OF REVENUE**

	31-Mar-26	31-Mar-25
	AED	AED
Materials consumed	11,360,019	14,474,662
Other direct expenses	815,936	1,986,458
	<b>12,175,955</b>	<b>16,461,120</b>

**20 OTHER INCOME**

	31-Mar-26	31-Mar-25
	AED	AED
Interest income	55,641	143,565
Consultancy, freight & miscellaneous income	1,055,242	1,340,095
Dividend income	1,756,500	926,100
Payable written back	48,428	395,001
Reversal overprovision of doubtful debts	296,581	-
	<b>3,212,392</b>	<b>2,804,761</b>

Consultancy income of AED 312,000 (2025 : AED 228,000) represents consultancy income received from an associate entity, M/s. Scrabble Digital Services DMCC, Dubai, United Arab Emirates.

**21 GENERAL & ADMINISTRATIVE EXPENSES**

		31-Mar-26	31-Mar-25
	NOTE	AED	AED
Staff cost	21.1	2,151,234	1,976,206
Management remuneration		1,263,932	1,263,301
Rent expenses		53,156	51,574
Bad and doubtful debts		5,768	86,773
Other expenses		466,350	596,306
		<b>3,940,440</b>	<b>3,974,160</b>

**21.1 STAFF COST**

		31-Mar-26	31-Mar-25
	NOTE	AED	AED
Staff salaries & allowances		1,915,565	1,850,305
End of service benefits	15	235,669	125,901
		<b>2,151,234</b>	<b>1,976,206</b>

Management remuneration consist of salaries, allowances and performance bonus etc., paid to the Manager Mr. Pruthu Rajesh Shah.



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

**DUBAI - UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**22 DIRECTOR'S REMUNERATION**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Mr. Rajiv Batra	21,738	21,569
Mrs. Swati Mohan	21,738	21,569
	<u>43,476</u>	<u>43,138</u>

This amount consists of remuneration payable to the above Directors based up on Board Resolutions passed on 2nd November 2023 and 7th December 2023.

**23 FINANCE CHARGES**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Bank charges	18,045	29,931
Finance cost lease liability	15,975	14,363
	<u>34,020</u>	<u>44,294</u>

**24 CORPORATE TAX EXPENSES**

Effective 1 January 2024, the Entity's operations in the UAE are subject to income tax. Tax computation for the year 2024 is as follows:

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
Profit Before Tax	2,082,887	3,128,080
Add: Inadmissible expenses	18,425	-
Less: Dividend income	(1,756,500)	(926,100)
Less: Exempted profit	(375,000)	(375,000)
<b>Profit/(loss)subject to Tax</b>	<u>(30,188)</u>	<u>1,826,980</u>
<b>Tax at 9% of above</b>	-	164,428
Add: Tax on previous year's inadmissible expenses	3,504	-
<b>Total tax expenses as per P&amp;L</b>	<u>3,504</u>	<u>164,428</u>

On 9 December 2022, the UAE Ministry of Finance released Federal Decree - Law No 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact Federal Corporate Tax (CT) regime in the UAE. The Corporate Tax Law is applicable to the Tax Periods commencing on or after 1 June 2023 (where the Tax Period is generally aligned with the financial accounting period). The UAE CT Law applicable to the Entity with effect from 1 April 2024. The UAE CT Law is subject to further clarification by supplemental Decisions of the Cabinet Ministers of the UAE (Decisions). Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Entity.

Decision No 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate.



**SCRABBLE ENTERTAINMENT DMCC (THE COMPANY ONLY)**

DUBAI - UNITED ARAB EMIRATES

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**25 FINANCIAL INSTRUMENTS**

**25.1 CAPITAL RISK MANAGEMENT**

The Entity manages its capital on a basis that it will be able to continue as a going concern while maximizing the return to the shareholders through the optimization of the equity balance.

**25.2 CATEGORIES OF FINANCIAL INSTRUMENTS**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
<u>Financial assets</u>	<u>AED</u>	<u>AED</u>
Trade and other receivables	2,418,231	7,536,141
Deposits with banks	2,217,500	2,252,400
Cash and bank balances	852,512	1,326,659
<b>Total</b>	<b>5,488,243</b>	<b>11,115,200</b>
<u>Financial liabilities</u>		
Trade and other payables	8,203,407	4,830,102
<b>Total</b>	<b>8,203,407</b>	<b>4,830,102</b>

**25.3 FINANCIAL RISK MANAGEMENT**

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a

**a) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Entity, and arises principally from the Entity's trade and other receivables and bank balances.

The Entity has adopted a policy of only dealing with creditworthy counterparties, for whom the credit risk is assessed to be low. The Entity attempts to control credit risk by monitoring credit exposures, setting credit limits for non-related counterparties and monitoring outstanding

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

**b) Liquidity risk**

Liquidity risk is the risk that the Entity will be unable to meet its funding requirements. The Entity limits its liquidity risk by ensuring adequate cash from operations.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026**

**25 FINANCIAL INSTRUMENTS (continued)**

The table below summarises the maturities of the Entity's undiscounted financial liabilities as at 31 March 2026 and 31 March 2025 based on the contractual payment dates.

	<u>Carrying value</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>
	AED	AED	AED
<b>31-Mar-26</b>			
<u>Non-derivative financial liabilities</u>			
Trade and other payables	8,203,407	8,203,407	-
	<u>8,203,407</u>	<u>8,203,407</u>	<u>-</u>
<b>31-Mar-25</b>			
<u>Non-derivative financial liabilities</u>			
Trade and other payables	4,830,102	4,830,102	-
	<u>4,830,102</u>	<u>4,830,102</u>	<u>-</u>

**c) Interest rate risk**

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

The Entity is exposed to interest rate risk on its interest bearing fixed deposits with bank.

The Entity's exposure to interest bearing fixed deposits with bank is not significant as this instrument has fixed interest rates and maturities.

**d) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Entity does not have significant exposure to currency risk as most of its assets are denominated in UAE Dirhams or in US Dollars, the latter being pegged to the UAE Dirham.

**26 COMMITMENTS AND CONTINGENCIES**

	<u>31-Mar-26</u>	<u>31-Mar-25</u>
	AED	AED
<u>Contingent Liabilities</u>		
Letters of guarantee	906,749	-
Guarantee cheque	9,350	-
	<u>916,099</u>	<u>-</u>



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**27 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by management and authorized for issue on 5 May 2026.

