

**SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON**  
Financial statements for the period ended 31 December 2015

**Statement of comprehensive income**

(stated in LBP)

	Note	From 1 January 2015 to 31 December 2015	From 1 January 2014 to 31 December 2014
General and administrative expenses	4	(7,922,084)	(23,810,133)
Net financial charges		-	(19,105)
Other revenues		-	435,668
Net (loss) from operations		(7,922,084)	(23,393,570)
<b>Net (loss) for the year</b>		<b>(7,922,084)</b>	<b>(23,393,570)</b>
<b>Total comprehensive income for the year</b>		<b>(7,922,084)</b>	<b>(23,393,570)</b>

The Company does not have other comprehensive income for any of the years presented above

The attached notes 1 to 13 form part of these financial statements.



# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

Financial statements for the period ended 31 December 2015

## Statement of financial position

(Stated in LBP)

	Note	From 1 January 2015 to 31 December 2015	From 1 January 2014 to 31 December 2014
<b>Assets</b>			
<b>Current assets</b>			
Inventories	5	92,534,344	92,534,344
Accounts and other receivables	6	15,545,890	14,761,990
Bank and cash balances	7	5,000,000	5,000,000
<b>Total current assets</b>		<b>113,080,234</b>	<b>112,296,334</b>
<b>Total assets</b>		<b>113,080,234</b>	<b>112,296,334</b>
<b>Partners' funds and liabilities</b>			
<b>Partners' funds</b>			
Capital	8	5,000,000	5,000,000
Partners current account	9	102,847,168	91,080,708
Accumulated losses		(85,687,867)	(77,765,783)
<b>Total partners' equity</b>		<b>22,159,301</b>	<b>18,314,925</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts and other payables	10	90,920,933	93,981,409
<b>Total current liabilities</b>		<b>90,920,933</b>	<b>93,981,409</b>
<b>Total liabilities</b>		<b>90,920,933</b>	<b>93,981,409</b>
<b>Total partners' funds and liabilities</b>		<b>113,080,234</b>	<b>112,296,334</b>

The attached notes 1 to 13 form part of these financial statements.

*Pruthu Rajeash Shah*

Pruthu Rajeash Shah  
Director



# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31 December 2015

### Statement of changes in partners' funds

(Stated in LBP)

	Capital	Partners' current account	Accumulated Losses	Total
Balance at 1 January 2015	5,000,000	91,080,708	(77,765,783)	18,314,925
Movements during the year	-	11,766,460		11,766,460
Net (loss) for the year	-		(7,922,084)	(7,922,084)
Balance at 31 December 2015	5,000,000	102,847,168	(85,687,867)	22,159,301

  

	Capital	Partners' current account	Accumulated Losses	Total
Balance at 1 January 2014	5,000,000	66,499,805	(54,372,213)	17,127,592
Movements during the year	-			
Net (loss) for the year	-	24,580,903	(23,393,570)	1,187,333
Balance at 31 December 2014	5,000,000	91,080,708	(77,765,783)	18,314,925

The attached notes 1 to 13 form part of these financial statements.



# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31 December 2015

### Statement of cash flows

(Stated in LBP)

	Note	From 1 January 2015 to 31 December 2015	From 1 January 2014 to 31 December 2014
<b>Cash flows from operating activities</b>			
Net (loss) for the year		(4,153,334)	(23,393,570)
Cash flows from operations before working capital changes		(4,153,334)	(23,393,570)
(Increase) in accounts and other receivables		(407,025)	(2,878,040)
Increase in accounts and other payables		(7,206,101)	1,690,707
<b>Net cash (used in) operating activities</b>		(11,766,460)	(24,580,903)
<b>Cash flows from financing activities</b>			
Net movement in due to partners' current accounts		11,766,460	24,580,903
<b>Net cash generated from financing activities</b>		11,766,460	24,580,903
<b>(Decrease) in cash and cash equivalents during the year</b>		-	-
Cash and cash equivalents at the beginning of the year		5,000,000	5,000,000
<b>Cash and cash equivalents at the end of the year</b>	7	5,000,000	5,000,000

The attached notes 1 to 13 form part of these financial statements.





# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31December 2015

### Notes to the financial statements

(stated in LBP)

#### 1. Legal status and principal activities

Scrabble Entertainment Lebanon SARL was established in Lebanon on 13 March 2012 as a limited liability company and registered at the commercial court of Beirut under No: 1015121.

The company is located in Achrafieh, Beirut.

The principal activity of the Company is the importation and installation and supplying of projectors for cinemas and related construction works.

#### 2. BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED IFRS

##### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), the disclosure requirements of the Commercial Companies Law of the Lebanese Law and the relevant disclosure requirements for licensed companies issued by the Capital Market Authority.

The financial statements are presented in Lebanese pounds.

##### 2.2 New and amended IFRS adopted by the Company

The Company has adopted the following new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting period:

- Amendments to IAS 32 'Financial Instruments: Presentation' issued in December 2011 clarifies the existing offsetting requirements for a financial asset and a financial liability.
- Amendments to IFRS 10, IFRS 12 and IAS 27 issued in October 2012 define an investment entity and introduce an exception to consolidating particular subsidiaries of an investment entity. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27.
- Amendments to IAS 36 'Impairment of assets' issued in May 2013 corrects certain consequential amendments to IAS 36 disclosures when IFRS 13 was issued. The amendments also clarify other disclosure requirements relating to recoverable amount for non-financial assets.
- IFRIC 21 'Levies' issued in May 2013 addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 'Provisions, Contingent liabilities and Contingent assets'. It clarifies the accounting for a liability to pay a levy whose timing and amount is certain.
- Amendments to IAS 39 'Financial Instruments: Recognition and Measurement' issued in June 2013 clarifies that there is no expiration or termination of hedging instrument if as a consequence of change in laws or regulations, there is a change in the clearing counter-parties.

The Management believes the adoption of the above amendments has not had any material impact on the presentation and disclosure of items in the financial statements for the current accounting period.



# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31 December 2015

### 2. BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED (Continued)

#### 2.3 New and amended IFRS which are in issue but not yet effective

At the end of the reporting period, the following new and revised standards were in issue but not yet effective:

- IFRS 9, 'Financial Instruments' has an effective date for accounting periods beginning on or after 1 January 2018 now that it has been finalized. IFRS 9 outlines the recognition, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting. Financial assets are to be measured at amortized cost, fair value through profit and loss or fair value through other comprehensive income, with an irrevocable option on initial recognition to recognize some equity financial assets at fair value through other comprehensive income. The impairment model in IFRS 9 moves to one that is based on expected credit losses rather than the IAS 39 incurred loss model. The derecognition principles of IAS 39, 'Financial Instrument: Recognition and Measurement' have been transferred to IFRS 9. The hedge accounting requirements have been liberalized from that allowed previously. The requirements are based on whether an economic hedge is in existence, with less restriction to prove whether a relationship will be effective than current requirements.
- Annual amendments to IFRSs (2010-2012 cycle and 2011-2013 cycle) issued in December 2013 covers the following IFRSs and the related subject amendments in those standards:
  - IFRS 2 – Definition of vesting condition;
  - IFRS 3 – Accounting for contingent consideration in a business combination;
  - IFRS 8 – Aggregation of operating segments and reconciliation of the total of the reporting segments' assets to the total assets;
  - IFRS 13 – Short term receivables and payables;
  - IAS 24 – Inclusion of 'management entity' within key management personnel;
  - IAS 16 and IAS 38 – Proportional restatement of accumulated depreciation or amortization under revaluation method;
  - IFRS 3 – Exclusion of joint arrangements (previously worded as joint ventures) from the scope of business combination;
  - IFRS 13 – Clarification on portfolio exception rule and its applicability to all contracts under IAS 39 and IFRS 9;
  - IAS 40 – Judgment required on whether an acquisition of investment property is an acquisition of asset / group of assets / business combination under IFRS 3.

The amendments are applicable for annual periods commencing on or after 1 July 2014.

- IFRS 14 Regulatory Deferral Accounts issued in January 2014 permits first time adopters of IFRS to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. IFRS 14 is applicable for annual periods beginning on or after 1 January 2016.
- IFRS 15 'Revenue from Contracts with Customers' issued in May 2014 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 supercedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related IFRICs 13, 15 and 18. IFRS 15 is applicable for annual periods beginning on or after 1 January 2017. The standard is based on a 5 step approach to recognise revenue and also provides specific principles to apply, when there is a contract modification, accounting for contract costs and accounting for refunds and warranties. On application of the standard, the disclosures are likely to increase. The standard includes principles on disclosing the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, by providing qualitative and quantitative information.
- Amendments to IFRS 11 'Joint Arrangements' issued In May 2014 provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments are applicable for annual periods beginning on or after 1 January 2016. The amendments clarify that a joint operator that acquires an asset or group of assets in a joint operation that represents a business in accordance with IFRS 3, applies the principles in IFRS 3 in accounting for business combinations to the acquisition. This will result in separate recognition of goodwill if any arises on the acquisition. If the asset or group of assets acquired does not constitute a business the principles of IFRS 3 are not applied.

Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' were issued in May 2014 clarifying the acceptable methods of depreciation and amortization. The amendments are applicable for annual periods beginning on or after 1 January 2016.





# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31December 2015

### 2. BASIS OF PREPARATION AND ADOPTION OF NEW AND AMENDED (Continued)

#### 2.3 New and amended IFRS which are in issue but not yet effective (Continued)

- Amendments to IAS 16 'Property, plant and equipment' and IAS 41 'Biological assets' were issued in June 2014. The amendments define a bearer plant and include bearer plants within the scope of IAS 16. Previously, bearer plants were not defined and bearer plants related to agricultural activity were included within the scope of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments are applicable for annual periods beginning on or after 1 January 2016.
- Amendments to IAS 27 'Separate Financial Statements' issued in August 2014 permits the use of equity method for investments in subsidiaries, associates and joint ventures when an entity prepares its separate financial statements. The amendments are applicable for annual periods beginning on or after 1 January 2016.
- Annual amendments to IFRSs (2012-2014 cycle) issued in September 2014 covers the following IFRSs and the related subject amendments in those standards:
  - IFRS 5 – Change in the method of disposal from 'held for sale' to 'held for distribution' to be treated as continuation of the original plan;
  - IFRS 7 - Clarifies 'servicing contracts' create continuing involvement of the transferred financial asset if the service fee is contingent upon the timing and amount of cash flows;
  - IAS 19 - Discount rate under actuarial assumptions for employee benefits to be based at currency level and not at country level;
  - IAS 34 – A reference to 'elsewhere in the interim financial report disclosure includes cross-referencing to information in any statement which is available at the same time the interim financial report is made available

The amendments are applicable for annual periods commencing on or after 1 January 2016.

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' issued in September 2014 specifies the accounting treatment for gain or loss arising on sale or contribution of assets between investor and joint ventures based on whether or not the sale or contribution results in a business. The amendments are applicable for annual periods beginning on or after 1 January 2016.

The Management believes the adoption of the above amendments is not likely to have any material impact on the presentation and disclosure of items in the financial statements for future periods.

### 3. Basis of preparation and significant accounting policies and estimates

#### 3.1 Significant accounting policies

##### a) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from services rendered in the ordinary course of the company's activities.

##### b) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31December 2015

### 3. Basis of preparation and significant accounting policies and estimates (Continued)

#### 3.1 Significant accounting policies (Continued)

##### b) Impairment of non-financial assets (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### c) Financial instruments – recognition, derecognition and offsetting

A financial asset or a financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument. All "regular way" purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is de-recognised either when:

- (i) The rights to receive cash flows from the asset have expired.
- (ii) the Company 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; or
- (iii) The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis.

##### d) Impairment of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated. In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.





# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31December 2015

### 3. Basis of preparation and significant accounting policies and estimates (Continued)

#### 3.1 Significant accounting policies (Continued)

##### d) Impairment of financial assets (Continued)

If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;

- (i) For assets carried at cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- (ii) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised. Except for equity instruments classified as available for sale, reversal of impairment losses are recognised in the statement of comprehensive income to the extent carrying value of the asset does not exceed its amortised cost at the reversal date. Reversals in respect of equity instruments classified as available for sale are recognised in other comprehensive income.

##### e) Accounts receivable

Accounts receivable are stated at their amortised cost less any allowances for doubtful receivables. An allowance for doubtful receivables is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the accounts receivable are impaired include consistent default in payments when due in accordance with the terms of the arrangements with the customers, financial difficulties of the customer and other indicators. When an accounts receivable is considered uncollectible, it is written off against the allowance account for credit losses. The carrying value of accounts receivable is approximate to their fair value due to the short term nature of those receivables.

##### f) Inventories

Inventories are valued at the lower of the cost or net realisable value, after making due allowance for any obsolete or slow moving items. Cost is determined on weighted average cost basis and consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

##### g) Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the Lebanese Labor Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

##### h) Accounts and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company.



# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31 December 2015

### 3. Basis of preparation and significant accounting policies and estimates (Continued)

#### 3.1 Significant accounting policies (Continued)

##### i) Foreign currencies

###### *Functional and Presentation currency*

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The company's functional currency is the Lebanese pounds.

###### *Transaction and balances*

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the transactions dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

##### j) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank balances and cash and short term deposits with an original maturity of less than three months.

##### k) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. When measuring fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

##### l) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When an inflow is virtually certain, an asset is recognized.





# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31December 2015

### 3. Basis of preparation and significant accounting policies and estimates (Continued)

#### 3.2 Significant accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

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

#### Impairment of trade accounts receivable and due from related parties

An estimate of the collectible amount of trade accounts receivable and amount due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognised in the statement of comprehensive income.

### 4. General and administrative expenses

	2015	2014
Post, telex, and telephone	83,084	64,127
Rent	-	5,228,010
Professional fees	7,537,500	13,567,500
Bank charges	-	116,500
Formalities	301,500	-
Miscellaneous	-	4,833,996
	<b>7,922,084</b>	<b>23,810,133</b>

### 5. Inventories

This section is comprised of the inventory which consist of finished goods for sale and raw material and are valued at the lower of the cost or net realizable value, after making due allowance for any obsolete or slow moving items. The inventory amounted to LBP 92,534,344 as of 30 September 2015.

### 6. Accounts and other receivables

	2015	2014
VAT refunded	15,545,890	14,761,990
	<b>15,545,890</b>	<b>14,761,990</b>

### 7. Cash and cash equivalents

	2015	2014
Bank and cash balances	5,000,000	5,000,000
Cash and cash equivalents in the statement of cash flows	5,000,000	5,000,000

### 8. Capital

	2015	2014
Authorized, issued and fully paid	5,000,000	5,000,000
5,000 shares of LBP 1,000 each	5,000,000	5,000,000





# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31December 2015

The capital of the Company is distributed in the following Ratios:

	Shares	LBP
Scrabble Entertainment JLT	4,998	4,998,000
Pruthu Rajeash Shah	1	1,000
Me Henri Najm	1	1,000
	<b>5,000</b>	<b>5,000,000</b>

### 9. Partners' current accounts

The partners' current account balances are unsecured, interest free, there are no defined repayment arrangements and are payable only at the option of the Company.

#### a) Dues to partners'

	2015	2014
Scrabble Entertainment JLT	102,847,168	91,080,708
	<b>102,847,168</b>	<b>91,080,708</b>

### 10. Accounts and other payables

	2015	2014
Trade accounts payable	86,378,785	86,378,785
Other creditors	396,523	7,602,624
Accrued expenses	4,145,625	-
	<b>90,920,933</b>	<b>93,981,409</b>

### 11. Tax Authorities

The company is subject to an audit by the Ministry of Finance from year 2009 till the date of the issuance of the financial statements.

The company is subject to an audit by the Value Added Tax department from year 2009 till the date of the issuance of the financial statements.

### 12. Financial risk and capital management

#### 12.1 Financial risk factors

The Company's financial instruments consist mainly of available-for-sale investments, investments at fair value through profit or loss, trade and other accounts receivable, bank balances and cash, trade and other accounts payable and term loans.

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the period ended 30 September 2015 and 31 December 2014. The identified key risks are:

#### a) Currency risk

The majority of the Company's financial assets and financial liabilities are either denominated in local currency (LBP) or currencies fixed to the LBP. Hence the management believes that there would not be a material impact on the profitability if these foreign currencies weakens or strengthens against the LBP with all other variables held constant.

#### b) Credit risk

The company is potentially exposed to concentration of credit risk from its financial assets which comprise principally the bank balances, accounts and other receivables and amounts due from related parties. The company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade receivables and related parties is subjected to credit evaluations in order to estimate an allowance for irrecoverable amounts. The company is not exposed to any significant concentration of credit risk because its exposure is spread over financial institutions and the receivables are duly collectible.



# SCRABBLE ENTERTAINMENT LEBANON SARL - LEBANON

## Financial statements for the period ended 31December 2015

### 12. Financial risk and capital management (continued)

#### 12.1 Financial risk factors (continued)

##### c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

The tables below summarize the maturities of the company's financial liabilities based on contractual payment dates:

2015	<1 year	>1 year	Total
Accounts and other payable	396,523	86,378,785	86,775,308
Total	396,523	86,378,785	86,775,308

2014	<1 year	Total
Accounts and other payable	93,981,409	93,981,409
Total	93,981,409	93,981,409

#### 12.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the period ended 30 June 2015 and 31 December 2014. Capital comprises share capital, legal reserve, partners' current accounts and retained earnings, and is measured at LBP 22,159,301 as at 31 December 2015 (2014: LBP 18,314,925).

#### 13. Comparative figures

Certain of the prior year amounts have been reclassified to conform to the presentation in the current year.




C

C