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SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

FINANCIAL STATEMENTS FOR THE YEAR

ENDED 31ST MARCH 2018

AND INDEPENDENT AUDITOR'S REPORT

SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

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SCRABBLE ENTERTAINMENT DMCC

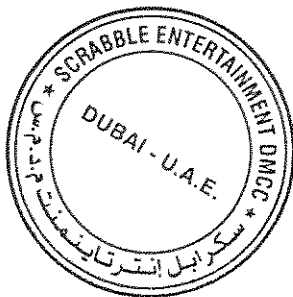
DUBAI - UNITED ARAB EMIRATES

COMPANY INFORMATION:

MANAGER : Mr. Pruthu Rajesh Shah

REGISTERED OFFICE : Unit No.2405 & 2406, 1-Lake Plaza,
Plot No.JLT-PH2-T2, Jumeirah Lakes Towers,
Dubai - United Arab Emirates.

AUDITOR : PARKER RANDALL - Haris & Associates Auditing,
Chartered Accountants,
P.O. Box 31367,
Dubai - United Arab Emirates.



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

THE MANAGEMENT REPORT

The Manager has the pleasure in presenting the report and the audited financial statements of M/s. Scrabble Entertainment DMCC (the "Entity") for the year ended 31st March 2018.

Principle Activities:-

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

There was no significant change in the nature of activities of the Entity during the financial year.

Accounting policies:-

The accounting policies adopted in the preparation of the financial statements are given on pages 8 to 14.

Financial results:

The table below summarizes the results of 2018 and 2017.

	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	<u>AED</u>	<u>AED</u>
Revenue	38,058,114	60,886,328
Gross profit	7,195,971	13,775,941
Gross profit %	19%	23%
Net profit	4,918,073	10,844,585
Net profit %	13%	18%

Property, Plant & Equipment:-

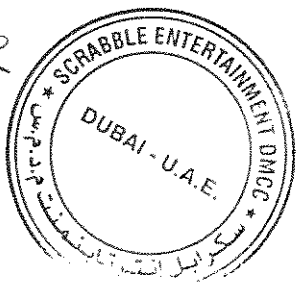
The movement in the property, plant and equipment is set out in Note 5 to the financial statements.

Contingent liabilities:-

Contingent Liabilities as at 31st March 2018 are given in Note 22 to the financial statements.

Events after year end:-

In the opinion of the Manager no transaction or event of a material and unusual nature, favorable or unfavorable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.



Going concern:-

The financial statements have been prepared on a going concern basis which assumed that the Entity will continue to operate as a going concern for the foreseeable future. The Managing director gives hope and expectations that the Entity has a glorious future ahead of them to continue in operational existence for the foreseeable future.

The Manager:-

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

Statement of Manager's responsibilities:-

The Company law requires the Manager 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.

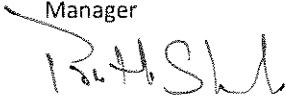
The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Entity and to enable them to ensure that the financial statements comply with relevant Governing Laws.

Auditors:-

Haris & Associates Auditing - Member of Parker Randall International were the external auditors of the Entity for the year ending 31 March 2018 and the Directors propose their re-appointment for the year ending 31st March 2019.

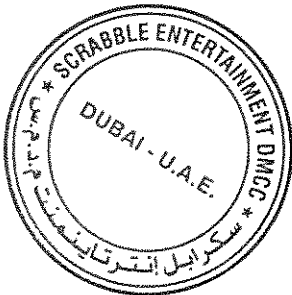
Mr. Pruthu Rajesh Shah

Manager



Dubai

29 April 2018



Independent Auditor's Report to the Shareholder of**M/s: SCRABBLE ENTERTAINMENT DMCC**

Dubai - United Arab Emirates

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

We have audited the accompanying financial statements of **M/s. SCRABBLE ENTERTAINMENT DMCC, Dubai** ("the entity"), which comprises the statement of financial position as at 31st March 2018 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 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply, where appropriate, with the provisions of law No (4) of 2001 and order dated May 1 2002 in respect of establishing companies in Dubai Multi Commodities Centre and its amendments.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information (Contd...)

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.

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 UAE related laws as amended, 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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

* 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.

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

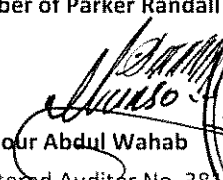
Further, as required by the UAE related laws as amended, we report that:

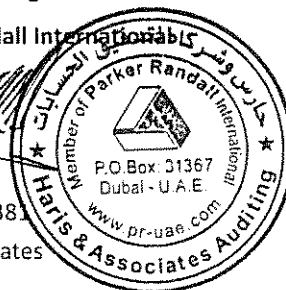
- i) We have obtained all the information and explanations which we considered necessary for our audit;
- ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the above law;
- iii) The entity has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Entity;
- iv) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the entity has contravened during the financial year any of the applicable provisions of the UAE related laws as amended or of its Articles of Association which would materially effect its activities or its financial position of the entity.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Mansour Abdul Wahab.

Haris & Associates Auditing

Member of Parker Randall International


Mansour Abdul Wahab
Registered Auditor No. 381
Dubai, United Arab Emirates
30 April 2018



SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2018

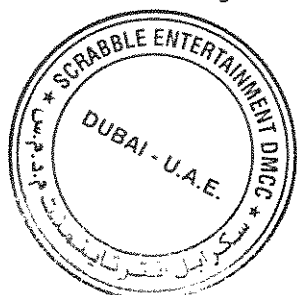
<u>ASSETS</u>		<u>31-Mar-18</u>	<u>31-Mar-17</u>
<u>NON-CURRENT ASSETS</u>	<u>Notes</u>	<u>AED</u>	<u>AED</u>
Property, plant & equipment (net)	5	227,942	380,173
Investments	6	12,966	12,966
Total non-current Assets		240,908	393,139
<u>CURRENT ASSETS</u>			
Inventory	7	1,731,690	2,717,109
Trade & other receivables	8	12,605,650	18,732,211
Due from related parties	9a	674,633	465,346
Loan to shareholder	10	2,015,495	1,906,496
Deposit with banks	11	5,000,000	11,344,627
Cash in hand and at banks	12	7,581,390	9,784,089
Total Current Assets		29,608,858	44,949,877
TOTAL ASSETS		29,849,766	45,343,016
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL AND RESERVES</u>			
Share capital	13	3,000,000	3,000,000
Legal reserve		1,500,000	1,500,000
Shareholders' current accounts	14	(3,302,563)	(3,302,563)
Retained earnings		12,847,180	22,929,107
Total Capital and Reserves		14,044,618	24,126,545
<u>NON-CURRENT LIABILITIES</u>			
Provision for employees' service end benefits	15	447,705	424,950
Total non-current liabilities		447,705	424,950
<u>CURRENT LIABILITIES</u>			
Trade & other payables	16	15,309,867	20,791,521
Due to related party	9b	47,576	-
Total Current Liabilities		15,357,443	20,791,521
TOTAL EQUITY AND LIABILITIES		29,849,766	45,343,016

(Notes on pages 8 to 23 form an integral part of these financial statements)

We approve these Financial Statements and confirm that we are responsible for them, including the selection of the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were approved on 29th April 2018.

FOR SCRABBLE ENTERTAINMENT DMCC

Pruthu Shah
Mr. Pruthu Rajesh Shah
 Manager



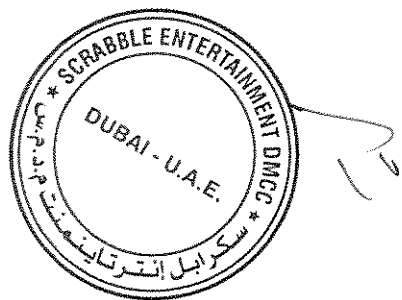
SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2018

		31-Mar-18	31-Mar-17
	Notes	AED	AED
Sales	17	38,058,114	60,886,328
Cost of sales	18	(30,862,143)	(47,110,386)
Gross profit		7,195,971	13,775,941
Add: other income	19	1,272,087	1,332,833
		8,468,058	15,108,774
Less : General & Administrative Expenses			
and Other Charges			
General & administration expenses	20	3,373,547	3,506,406
Depreciation of property, plant & equipment (Note 5)		155,756	725,685
Finance charges	21	20,682	32,098
Total expenses		3,549,985	4,264,189
Net income transferred to retained earnings		4,918,073	10,844,585

(Notes on pages 8 to 23 form an integral part of these financial statements)



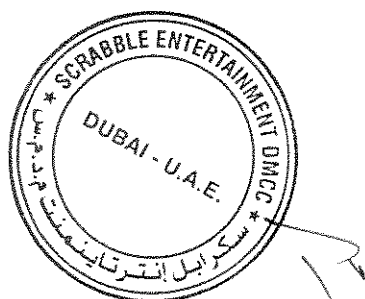
SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

	Capital	Legal Reserve	Current accounts	Retained earnings	Total
	AED	AED	AED	AED	AED
As at 01/04/2016	3,000,000	1,500,000	(3,302,563)	12,084,522	13,281,959
Net profit for the year				10,844,585	10,844,585
As at 31/03/2017	3,000,000	1,500,000	(3,302,563)	22,929,107	24,126,545
Net profit for the year		-	-	4,918,073	4,918,073
Dividend declared and paid				(15,000,000)	(15,000,000)
As at 31/03/2018	3,000,000	1,500,000	(3,302,563)	12,847,180	14,044,618

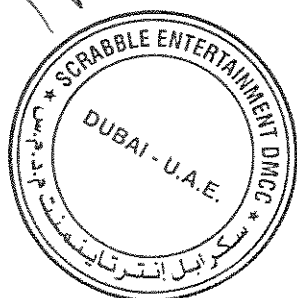
(Notes on pages 8 to 23 form an integral part of these financial statements)



SCRABBLE ENTERTAINMENT DMCC
DUBAI - UNITED ARAB EMIRATES
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2018

	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	AED	AED
<u>Cash Flow from Operating Activities</u>		
Operating profit for the year	4,918,073	10,844,585
Adjustments for:-		
Depreciation of property, plant & equipment	155,756	725,685
Employees' end of service benefits	22,755	111,894
(Profit)/loss on sale of assets	(78,538)	(76,176)
Operating Income Before Working Capital Changes	5,018,046	11,605,987
<i>(Increase) / Decrease in operating assets</i>		
Inventory	985,419	(1,509,503)
Trade & other receivables	6,126,561	346,391
Related party balances	(161,711)	(27,266)
<i>Increase / (Decrease) in operating liabilities</i>		
Trade & other payables	(5,481,654)	4,973,444
Net Cash Flow from Operating Activities	6,486,661	15,389,055
<u>Cash Flow from Investing Activities</u>		
Purchase of property, plant & equipment	(3,525)	(48,440)
Proceeds from sale of fixed assets	78,538	97,660
Net Cash Outflow from Investing Activities	75,013	49,220
<u>Cash Flow from Financing Activities</u>		
Shareholder's loan	(108,999)	(109,000)
Dividend declared and paid	(15,000,000)	-
Deposits with banks	6,344,627	(10,011,882)
Net Cash flow from Financing Activities	(8,764,373)	(10,120,881)
Add opening cash and bank balances	9,784,089	4,466,695
Closing cash and cash equivalents	7,581,390	9,784,089

(Notes on pages 8 to 23 form an integral part of these financial statements)



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

1- COMPANY'S NATURE, OPERATIONS AND OWNERSHIP

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

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

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

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

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

2- BASIS OF PREPARATION

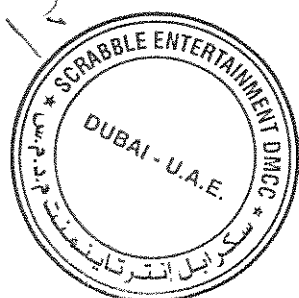
2.1 - Statement of Compliance

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

2.2 - Basis of Measurement

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

* The financial statements are presented in United Arab Emirates Dirham (AED) and are rounded to the nearest value.



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

2- BASIS OF PREPARATION (Contd.)

2 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 recognised 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.

2.4 - 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.

2.5 - Comparative Information

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

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

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

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

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

- ◆ Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*
- ◆ Amendments to IAS 7 *Disclosure Initiative*
- ◆ Annual Improvements 2012-2014 Cycle - *Amendments to IFRS 12*

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

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

New and revised IFRSs	Effective for annual periods beginning on or after
◆ IFRS 9 <i>Financial Instruments</i> (2014)	1 January 2018
◆ IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

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

◆ IFRS 16 <i>Leases</i> specifies how an IFRS reporter will recognise, measure, present and disclose leases	1 January 2019
◆ IFRS 17 <i>Insurance Contracts</i>	1 January 2021
◆ IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
◆ IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
◆ Amendments to IFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
◆ Amendments to IFRS 4 <i>Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'</i>	1 January 2018
◆ Amendments to IAS 40 <i>Transfers of Investment Property</i>	1 January 2018
◆ Amendments to IFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
◆ Amendments to IAS 28 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
◆ Annual Improvements 2014-2016 Cycle - <i>IFRS 1 & IAS 28</i>	1 January 2018
◆ Annual Improvements 2015-2017 Cycle - <i>IFRS 3, IFRS 11, IAS 12, & IAS 23</i>	1 January 2019

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Foreign Currency Translations

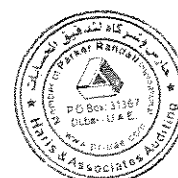
The financial statements are presented in United Arab Emirates Dirham (AED), which is the Entity's functional and presentation currency. Transactions in foreign currencies are recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denomination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

4.2 Property, plant and equipment

(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.

Subsequent cost are included in the asset's carrying amount or recognised 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.



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

(b) 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
Leasehold improvements	3 Years
Vehicles	3 Years

(c) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising 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 derecognised.

4.3 Impairment of non-financial asset

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.

4.4 Financial Assets

Classification

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



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Recognition and measurement

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

4.5 Impairment of financial assets

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

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

Derecognition of financial assets

A financial asset is derecognised when: -

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

4.6 Financial Liabilities

Classification

Financial liabilities issued by the Entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The Entity's financial liabilities include trade and other payables.



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DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Recognition and measurement

Financial liabilities are recognised initially at fair value, directly attributable transaction costs. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of income when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition of Financial Liabilities

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 23.

Trade receivables

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

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.

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.



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NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

4.11 Trade payables and accruals

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

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

Provisions

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

4.13 Borrowings

Borrowings are initially recognized at the fair value of the consideration received less directly attribute transaction costs. After initial recognition, these are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the establishment has an unconditional right to defer settlement of the liability for at least 12 months after the date of financial position.

4.14 Employee's end of service benefits

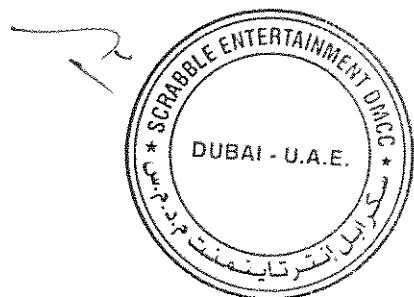
The Entity provides end of services benefits to its employees. The entitlement to those benefits is usually based upon the employees' length of services and the completion of a minimum services period. The expected costs of these benefits are accrued over the period of employment and in accordance with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

4.15 Revenue recognition

Revenue consist of fair value of consideration received or receivable as virtual print fees, sale of goods, services and installation charges in the ordinary course of the Entity's activities. Revenue is stated net of discounts and returns and recognized when the goods are delivered to the customer, the customer has accepted the goods and the revenue can be reliably measured, regardless of when the payment is being made.

4.16 Expenditure recognition

Expenses are recognised in the statement of income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of income. For the purpose of presentation of the statement of income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Entity's performance.



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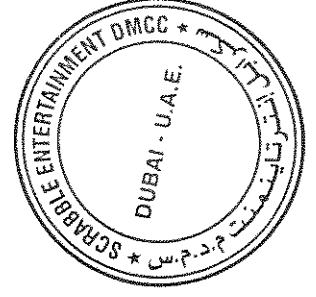
NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

5- PROPERTY, PLANT & EQUIPMENT (Net)

	Equipment	Leasehold improvement	Vehicles	Furniture & fixtures	Total
<u>Cost</u>	AED	AED	AED	AED	AED
As at 01/04/17	3,658,430	335,880	243,565	117,298	4,355,174
Additions	3,525				3,525
Deletions	(144,965)				(144,965)
As at 31/03/18	3,516,990	335,880	243,565	117,298	4,213,734
As at 01/04/17	3,363,266	335,880	190,683	85,172	3,975,001
For the year	105,815		33,330	16,611	155,756
Deletions	(144,965)				(144,965)
As at 31/03/18	3,324,116	335,880	224,013	101,783	3,985,792
<u>Net Book Value</u>					
As at 31/03/18	192,875	-	19,552	15,515	227,942
As at 31/03/17	295,165	-	52,882	32,126	380,173

(In the opinion of the management there is no impairment to the net book value of the property, plant & equipment as at 31st March 2018).

(Motor Vehicle with net book value of AED.19,552/- (Previous year AED.52,882/-) is registered in the name of a third party).



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NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

6- INVESTMENTS

	31-Mar-18	31-Mar-17
	AED	AED
Scrabble Entertainment (Lebanon) SARL - Lebanon	12,258	12,258
Scrabble Ventures S. de R.L. de C.V - Mexico	708	708
	12,966	12,966

These amounts represent capital investment made in these companies.

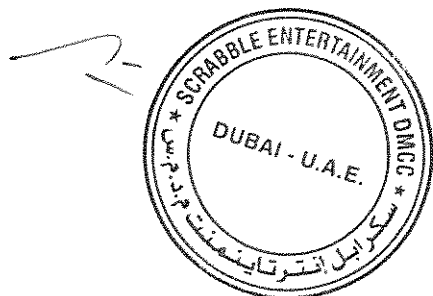
7- INVENTORY

	31-Mar-18	31-Mar-17
	AED	AED
Closing Stock	1,731,690	2,717,109
	1,731,690	2,717,109

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

8- TRADE & OTHER RECEIVABLE

	31-Mar-18	31-Mar-17
	AED	AED
Trade debtors	12,675,100	17,292,231
Less: Doubtful debts provision	(1,453,135)	(1,128,340)
Net trade receivable	11,221,965	16,163,891
Refundable deposits	40,500	60,500
Prepaid expenses	449,925	490,518
Staff advances	36,106	7,235
Advance to suppliers	857,154	2,010,066
	12,605,650	18,732,211



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

TRADE & OTHER RECEIVABLE (Contd...)

Aging of Accounts Receivable

	31-Mar-18	31-Mar-17
	AED	AED
0 to 90 days	6,271,070	12,281,964
91 to 180 days	4,188,217	3,364,054
181 to 365 days	1,525,354	1,035,745
Above 365 days	690,459	610,468
	12,675,100	17,292,231

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

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

As at March 31, 2018 top 5 trade receivable balances represents 41% (previous year 30%) of the total trade receivable balances outstanding.

9- RELATED PARTIES

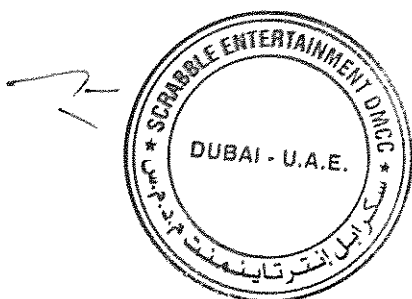
Related parties comprise the shareholders of the Entity, key management personnel and such other entities over which the Entity, its shareholders or the key management personnel can exercise control or significant influence or can be controlled or significantly influenced by those Entities. The terms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

a) Due from related parties:-

	31-Mar-18	31-Mar-17
	AED	AED
M/s: Scrabble Entertainment (Lebanon) SARL	307,633	281,846
M/s: Scrabble Digital INC, U.S.A.	367,000	183,500
	674,633	465,346

Summary of transactions:-

	Scrabble Entertainment (Lebanon) SARL	Scrabble Digital INC, U.S.A
	AED	AED
<u>Opening balance</u>	281,846	183,500
Payments	25,787	183,500
<u>Closing balance</u>	307,633	367,000



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

b) Due to related party:-

	31-Mar-18	31-Mar-17
	AED	AED
M/s: Scrabble Digital DMCC, Dubai	47,576	-
	47,576	-

Summary of transactions:-

	Screbble Digital DMCC, Dubai
	AED
<u>Opening balance</u>	-
Purchases	57,852
Sales	(10,276)
<u>Closing balance</u>	47,576

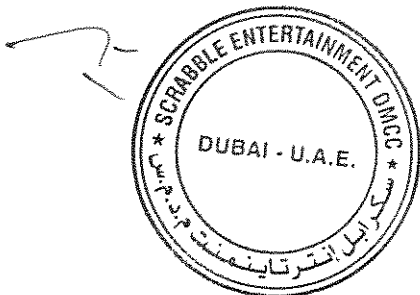
10- LOAN TO SHAREHOLDER

	31-Mar-18	31-Mar-17
	AED	AED
M/s. Scrabble Entertainment (Mauritius) Ltd.,	2,015,495	1,906,496
	2,015,495	1,906,496

Loan to shareholder is the loan given to one of the shareholders, M/s: Scrabble Entertainment (Mauritius) Ltd, Mauritius and accrued interest up to March 31, 2018. As per the loan agreement, the outstanding loan amount carries an interest rate of 9% per annum and the borrower undertakes to repay the loan within seven days on demand.

11- DEPOSITS WITH BANKS

	31-Mar-18	31-Mar-17
	AED	AED
RAK Bank, Dubai - Fixed deposits	5,000,000	11,344,627
	5,000,000	11,344,627



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

12- CASH IN HAND AND AT BANKS

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

	31-Mar-18	31-Mar-17
	AED	AED
Cash in hand	9,625	6,464
RAK Bank, Dubai - current account AED	6,360,935	8,136,232
RAK Bank, Dubai - current account USD	1,210,830	1,641,394
	7,581,390	9,784,089

13- CAPITAL ACCOUNT

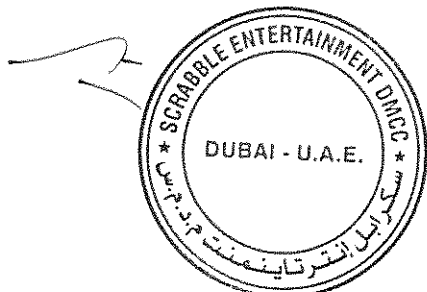
	31-Mar-18	31-Mar-17
	AED	AED
M/s. Scrabble Entertainment Ltd., India	300,000	300,000
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	2,700,000	2,700,000
	3,000,000	3,000,000

14- SHAREHOLDERS' CURRENT ACCOUNT

	31-Mar-18	31-Mar-17
	AED	AED
M/s. Scrabble Entertainment (Mauritius) Ltd., Mauritius	(3,302,563)	(3,302,563)
	(3,302,563)	(3,302,563)

15- PROVISION FOR EMPLOYEES END OF SERVICE BENEFITS

	31-Mar-18	31-Mar-17
	AED	AED
Opening balance	424,950	313,056
Charged during the year	106,677	111,894
Paid during the year	(83,922)	-
Closing balance	447,705	424,950



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

16- <u>TRADE AND OTHER PAYABLES</u>	31-Mar-18	31-Mar-17
	AED	AED
Trade Payable	13,718,346	15,844,279
	13,718,346	15,844,279
Advance from customers	1,034,677	4,454,589
Deferred AMC & part warranty	329,889	428,427
Other payables	226,955	64,226
	15,309,867	20,791,521

Aging of Accounts Payable

	31-Mar-18	31-Mar-17
	AED	AED
0 to 90 days	5,261,142	10,827,717
91 to 180 days	2,572,371	4,640,304
181 to 365 days	5,662,838	161,786
Above 365 days	221,995	214,472
	13,718,346	15,844,279

17- SALES

	31-Mar-18	31-Mar-17
	AED	AED
Equipment & spares	26,393,886	28,695,375
Virtual print fee	11,664,228	32,190,953
	38,058,114	60,886,328

18- COST OF SALES

	31-Mar-18	31-Mar-17
	AED	AED
Materials consumed	21,016,332	23,365,379
Virtual print fee expenses	9,029,445	22,541,522
Other direct expenses	816,366	1,203,486
	30,862,143	47,110,386



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

19- OTHER INCOME

	31-Mar-18	31-Mar-17
	AED	AED
Interest	353,326	240,803
Spare parts warranty & other income	840,223	1,015,854
Profit on sale of assets	78,538	76,176
	1,272,087	1,332,833

20- GENERAL AND ADMINISTRATIVE EXPENSES

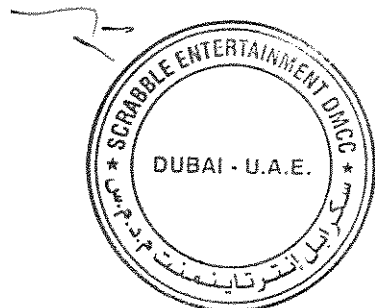
	31-Mar-18	31-Mar-17
	AED	AED
Staff cost (Note # 20.1)	2,129,451	2,312,946
Rent expenses	182,720	216,160
Bad debts & provisions	324,795	292,457
Other expenses	736,581	684,843
	3,373,547	3,506,406

20.1 STAFF COST

	31-Mar-18	31-Mar-17
	AED	AED
Salaries, allowances & other benefits	2,022,774	2,201,052
End of service benefits (Note # 15)	106,677	111,894
	2,129,451	2,312,946

21- FINANCE CHARGES

	31-Mar-18	31-Mar-17
	AED	AED
Bank charges	20,682	32,098
	20,682	32,098



SCRABBLE ENTERTAINMENT DMCC

DUBAI - UNITED ARAB EMIRATES

NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

22- CONTINGENT LIABILITY

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

	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	AED	AED
Labour Guarantee	33,000	42,000
	33,000	42,000

23- FINANCIAL INSTRUMENTS

23.1 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.

23.2 CATEGORIES OF FINANCIAL INSTRUMENTS

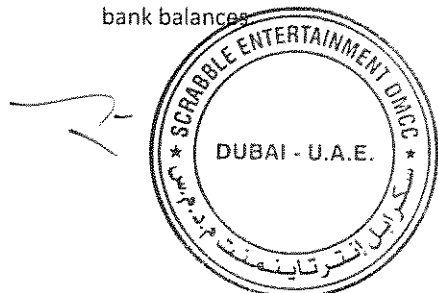
	<u>31-Mar-18</u>	<u>31-Mar-17</u>
	AED	AED
<u>Financial assets</u>		
Trade and other receivables	12,605,650	18,732,211
Due from related parties	674,633	465,346
Loan to shareholder	2,015,495	1,906,496
Deposit with banks	5,000,000	11,344,627
Cash in hand and at banks	7,581,390	9,784,089
Total	27,877,168	42,232,768
<u>Financial liabilities</u>		
Accounts payable	15,309,867	20,791,521
Due to related party	47,576	-
Total	15,357,443	20,791,521

23.3 FINANCIAL RISK MANAGEMENT

The Entity is exposed to the following risks related to the financial instruments. The Entity has framed formal risk management policies and the risks are monitored by the management on a continuous basis.

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.



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NOTES TO THE COMBINED FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

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 receivables.

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.

The table below summarizes the maturities of the Entity's undiscounted financial liabilities as at 31 March 2018 and 31 March 2017 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
31-Mar-18			
<u>Non-derivative financial liabilities</u>			
Trade and other payables	15,309,867	15,087,872	221,995
Due to related party	47,576	-	-
	<u>15,357,443</u>	<u>15,087,872</u>	<u>221,995</u>
31-Mar-17			
<u>Non-derivative financial liabilities</u>			
Trade and other payables	20,791,521	20,577,049	214,472
	<u>20,791,521</u>	<u>20,577,049</u>	<u>214,472</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 not exposed to any interest rate risk due to the absence interest bearing borrowings

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 is not exposed to currency risk as all the assets and liabilities are denominated in the reporting currency of AED (UAE Dirhams).

24- APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by management and authorized for issue on 29th April 2018.

