ITNL International DMCC
Dubai - United Arab Emirates

Report and financial statements
for the year ended 31 December 2015

ITNL International DMCC

Contents **Pages**

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

The Shareholder
ITNL International DMCC
Dubai
United Arab Emirates

Report on the Financial Statements

We have audited the accompanying financial statements of **ITNL International DMCC, Dubai, United Arab Emirates** (the "Company"), which comprise the statement of financial position as at 31 December 2015 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **ITNL International DMCC, Dubai, United Arab Emirates** as of 31 December 2015 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 1 to the financial statements which indicates that, although the Company has accumulated losses and its net worth has been substantially eroded, and the Company has incurred a net loss during the current year ended 31 December 2015, the financial statements of the Company have been prepared on a going concern basis based on the future business plans, contracts awarded to the Company and committed financial support for the next twelve months provided by the intermediate parent company.

Our opinion is not qualified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

Also, in our opinion, all necessary books and records were maintained in accordance with the provisions of Implementing Regulations 1/3 issued by the Dubai Multi Commodities Centre.

Deloitte & Touche

26 June 2016

ITNL International DMCC

Statement of financial position as at 31 December 2015

	Notes	2015 AED	2014 AED
ASSETS			
Non-current assets			
Property and equipment	5	**2,667,720**	2,861,892
Current assets			
Due from related parties	6	**1,557,354**	1,000,000
Prepayments and other receivables	7	**1,705,654**	593,263
Cash and cash equivalents	8	**589,255**	514,906
Total current assets		**3,852,263**	2,108,169
Total assets		**6,519,983**	4,970,061
EQUITY AND LIABILITIES			
EQUITY			
Share capital	9	**20,900,000**	11,500,000
Accumulated losses		**(20,275,890)**	(8,403,420)
Total equity		**624,110**	3,096,580
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service indemnity	10	**742,837**	302,413
Loan from a related party	6	**3,112,100**	1,250,000
Total non-current liabilities		**3,854,937**	1,552,413
Current liabilities			
Loan from a related party	6	**1,000,000**	-
Due to related parties	6	**198,915**	53,580
Accruals and other liabilities	11	**842,021**	267,488
Total current liabilities		**2,040,936**	321,068
Total liabilities		**5,895,873**	1,873,481
Total equity and liabilities		**6,519,983**	4,970,061

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Managing Director

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

ITNL International DMCC

Statement of comprehensive income
for the year ended 31 December 2015

	Notes	2015 AED	2014 AED
Revenue	12	**14,104**	1,500,000
General and administrative expenses	13	**(11,746,284)**	(5,087,212)
Finance costs	6	**(140,290)**	(14,386)
Other income		**-**	1,030
Loss for the year		**(11,872,470)**	(3,600,568)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(11,872,470)**	(3,600,568)

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

Statement of changes in equity
for the year ended 31 December 2015

	Share capital AED	Accumulated losses AED	Total AED
Balance at 1 January 2014	10,000,000	(4,802,852)	5,197,148
Increase in share capital during the year	1,500,000	-	1,500,000
Total comprehensive loss for the year	-	(3,600,568)	(3,600,568)
Balance at 31 December 2014	11,500,000	(8,403,420)	3,096,580
Increase in share capital during the year (Refer Note 9)	9,400,000	-	9,400,000
Total comprehensive loss for the year	-	(11,872,470)	(11,872,470)
Balance at 31 December 2015	**20,900,000**	**(20,275,890)**	**624,110**

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

ITNL International DMCC

Statement of cash flows
for the year ended 31 December 2015

	2015 AED	2014 AED
Cash flows from operating activities		
Loss for the year	**(11,872,470)**	(3,600,568)
Adjustments for:		
Provision for employees' end of service indemnity	**440,424**	168,489
Depreciation	**296,174**	281,631
Interest income (Note 6)	**(14,104)**	(1,030)
Finance costs (Note 6)	**140,290**	14,386
Operating cash flows before changes in operating assets and liabilities	**(11,009,686)**	(3,137,092)
Increase in prepayments and other receivables	**(1,112,391)**	(111,172)
Increase in due from related parties (Note 6)	**(557,354)**	(889,053)
Increase in due to related party (Note 6)	**145,335**	-
Increase in accruals and other liabilities	**434,243**	73,086
Net cash used in operating activities	**(12,099,853)**	(4,064,231)
Cash flows from investing activities		
Additions to property and equipment	**(102,002)**	(10,136)
Interest income received	**14,104**	1,030
Net cash used in investing activities	**(87,898)**	(9,106)
Cash flows from financing activities		
Increase in share capital (Note 9)	**9,400,000**	1,500,000
Loan taken from a related party- long term (Note 6)	**7,005,000**	1,250,000
Repayment of loan from a related party- long term (Note 6)	**(5,142,900)**	-
Loan taken from a related party- short term (Note 6)	**1,000,000**	-
Net cash generated from financing activities	**12,262,100**	2,750,000
Net increase/(decrease) in cash and cash equivalents	**74,349**	(1,323,337)
Cash and cash equivalents at the beginning of the year	**514,906**	1,838,243
Cash and cash equivalents at the end of the year (Note 8)	**589,255**	514,906

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

1. Company and operations

ITNL International JLT (IIJLT) was incorporated on 10 May 2012 as a limited liability company in the United Arab Emirates under a trade license issued by the Dubai Multi Commodity Centre Authority ("DMCC"), Government of Dubai. IIJLT has changed its name to ITNL International DMCC (the "Company") with effect from 4 February 2015. The Company is a wholly owned subsidiary of ITNL International Pte. Limited, Singapore (the "Parent Company"). The ultimate parent and controlling party is Infrastructure Leasing & Financial Services Limited (IL&FS), India.

The address of the registered office is Unit No. 608/609, Jumeirah Business Centre I, Cluster G, Jumeirah Lake Towers, Dubai, United Arab Emirates.

The Company's principal activities are project management consultancy services. The Company has started its business operations from January 2014 and is currently pursuing project opportunities in the Emirates of Sharjah in roads, transport and airport sectors with notable project areas relating to performance based road maintenance and upgrades, operations and maintenance of pedestrian bridges and airport expansion. The Company has also initiated discussions with various departments involving transport infrastructure projects in the Emirates of Dubai including submissions of a bid for a road concession in Kenya.

During the year ended 31 December, 2015, the Company has incurred losses aggregating AED 11,872,470 resulting in accumulated losses of AED 20,275,890 as on 31 December 2015. In spite of these accumulated losses eroding the net worth substantially, the financial statements have been prepared on going concern basis due to the following reasons:

(i) The Company is identified as center for providing Project Consultancy and Development services for all international projects of Parent Company in Africa and Dubai. For this purpose key employees from business development department of intermediate holding company have been deputed in the Company.

(ii) ITNL Infrastructure Developers LLC ("IIDL"), Dubai, a Company incorporated by ITNL International Pte. Ltd. ("IIPL"), Singapore had been pursuing the Dubai Supreme Courts Project and was awarded this project on 4 May 2016 for concession period of 30 years on Design, Build, Finance, Operation and Maintenance of Dubai Supreme Courts Project on a public private partnership basis. In accordance with the Project Concession Agreement, IIDL along with MAK Holdings LLC and Next Generation Parking Limited JAFZA have incorporated Park Line LLC ("PLL") as a project developer. The Company shall be appointed by PLL as Design and Build Contractor for their Dubai Supreme Courts Project. The Company shall earn revenue in the form of design and construction fees.

(iii) The Company has been appointed by Tawreed LLC to provide specialist advice regarding their proposal for development of automated car parking facility in Sharjah. The Company will assist Tawreed on project due diligence including project structuring, implementation framework and submission of a competitive proposal to Shurooq (Sharjah Investment Authority). As part of the assignment, the Company or its associate company has option to take equity position in the project SPV. Further post signing of concession the Company will assist the project SPV with equity raising, debt syndication and project management and also eligible for project development.

(iv) The intermediate parent company has committed to provide the necessary financial support for the next 12 months from the date of report to the Company to enable it to continue its operations and discharge its obligations when they fall due.

2. Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRS applied with no material effect on the financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRS 2010-2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, International Accounting Standards (IAS) 16, IAS 24 and IAS 38.
- Annual Improvements to IFRS 2011-2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

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

New and revised IFRS	**Effective for annual periods beginning on or after**
• IFRS 14 *Regulatory Deferral Accounts*	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* relating to disclosure initiative.	1 January 2016
• Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants.	1 January 2016
• Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities.	1 January 2016

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRS	Effective for annual periods beginning on or after
• Annual Improvements to IFRS 2012-2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.	1 January 2016
• Finalised version of IFRS 9 [IFRS 9 *Financial Instruments* (2014)] was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
• Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
• IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
• IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2018
• Clarifications to IFRS 15 Revenue from Contracts with Customers: Amends IFRS 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	1 January 2018

2. Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted (continued)

New and revised IFRS	Effective for annual periods beginning on or after
• IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
• Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely
• Amendments to IAS 7 *Statement of Cash Flows* requiring disclosure of changes in liabilities arising from financing activities	1 January 2017
• Amendments to IAS 12 *Income Taxes* regarding recognition of deferred tax assets for unrealised losses	1 January 2017

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Company's financial statements for the year beginning 1 January 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 9 and IFRS 15 will be adopted in the Company's financial statements for the annual year beginning 1 January 2018 and IFRS 16 will be adopted for the annual year beginning 1 January 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers, the Company's financial assets and financial liabilities and leases. However, it is not practicable to provide a reasonable estimate of effects of the application until the Company performs a detailed review.

3. Significant accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.The principal accounting policies are set out below.

Revenue recognition

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the deliverables of the services or stage of completion of the transaction at the reporting date.

Property and equipment

Property and equipment excluding capital work in progress are carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, as follows:

	Years
Buildings	30
Vehicles	5
Furniture & fixtures	10
Office equipment	3
Data processing equipment	4

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the pattern of economic benefits expected to flow to the Company through the use of items of property and equipment.

Subsequent costs 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income when incurred.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

The capital work in progress is transferred to the appropriate property and equipment category and is depreciated in accordance with Company's policies when the assets are ready for intended use.

3. Significant accounting policies (continued)

Impairment of tangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, 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, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so long as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

Foreign currency transactions

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

Financial instruments

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contracted provisions of the instrument.

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

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through statement of comprehensive income, which are initially measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including other receivables and bank balances and cash and are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets that are measured at amortised cost are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

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 recognised, the previously recognised impairment loss is reversed through the income statement to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

3. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as other financial liabilities which include accruals and other liabilities and amount due to a related party and are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in statement of comprehensive income.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Critical accounting judgment and key sources of estimation uncertainty

Critical judgment in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 3, management has made the following judgment and estimates that have a significant effect on the amounts recognised in the financial statements.

Revenue recognition

Management has considered the detailed criteria for the recognition of revenue from rendering of services set out in International Accounting Standard (IAS) 18: *Revenue*, and in particular whether it is probable that the economic benefits associated with the transaction will flow to the Company. Consulting services income is recognized when the related services are rendered and the Company's right to receive income has been established and the management is satisfied that it is probable that the economic benefits associated with the transaction will flow to the entity and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The key assumption concerning the future and key source of estimation uncertainty at the reporting date, that has significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

Useful lives of property and equipment

Property and equipment are depreciated over their estimated useful lives, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

The management determines the estimated useful lives and related depreciation charges for the property and equipment and will increase the depreciation charge where useful lives are assessed as less than previously estimated lives.

Notes to the financial statements
for the year ended 31 December 2015 (continued)

5. Property and equipment

	Buildings AED	Vehicles AED	Furniture and fixtures AED	Office equipment AED	Data processing equipment AED	Total AED
Cost						
At 1 January 2014	2,380,989	330,695	292,800	93,695	299,165	3,397,344
Additions during the year	-	-	5,484	-	4,652	10,136
Transfers						-
At 31 December 2014	2,380,989	330,695	298,284	93,695	303,817	3,407,480
Additions during the year		-		18,411	83,591	102,002
At 31 December 2015	**2,380,989**	**330,695**	**298,284**	**112,106**	**387,408**	**3,509,482**
Accumulated depreciation						
At 1 January 2014	96,367	71,235	25,911	25,251	45,193	263,957
Charge for the year	79,366	66,139	29,824	31,232	75,070	281,631
At 31 December 2014	175,733	137,374	55,735	56,483	120,263	545,588
Charge for the year	79,366	66,139	29,829	35,405	85,435	296,174
At 31 December 2015	**255,099**	**203,513**	**85,564**	**91,888**	**205,698**	**841,762**
Carrying amount						
At 31 December 2015	**2,125,890**	**127,182**	**212,720**	**20,218**	**181,710**	**2,667,720**
At 31 December 2014	2,205,256	193,321	242,549	37,212	183,554	2,861,892

6. Related party transactions

The Company enters into transactions with other companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24 *Related Party Disclosures.* Related parties comprise companies and entities under common ownership and/or common management control and key management personnel. The management decides on the terms and conditions of transactions and of services received/rendered from/to related parties as well as other charges.

At the reporting date, due from/due to related parties is as follows:

	2015 AED	2014 AED
Due from related parties		
Companies under common management/control		
ITNL Infrastructure Developer LLC	**529,701**	-
Sharjah General Services Co. L.LC, United Arab Emirates	**1,000,000**	1,000,000
IL&FS Maritime International FZE	**27,653**	-
	1,557,354	1,000,000
Due to related parties		
Intermediate Parent Company- current		
IL&FS Transportation Networks Limited, India	**39,194**	39,194
Immediate Parent Company		
ITNL International Pte Ltd, Singapore		
Interest payable - current	**155,044**	14,386
Other payables - current	**4,677**	-
	198,915	1,264,386

	2015 AED	2014 AED
Loan from a related party		
Immediate parent company		
ITNL International Pte Ltd., Singapore		
-Long term [see (a) below]	**3,112,100**	1,250,000
-Short term [see (a) below]	**1,000,000**	-
	4,112,100	1,250,000

6. Related party transactions (continued)

(a) Movement in Long term loans during the year:

	2015 **AED**	2014 AED
Opening balance *	**1,250,000**	-
Loan taken during the year from a related party **	**7,005,000**	1,250,000
Loan from a related party repaid during the year	**(5,142,900)**	-
Closing balance	**3,112,100**	1,250,000

* During the year interest rate on a loan of AED 1,250,000 has increased from 3.5% per annum to 5% per annum with effect from 1 April 2015.

**Out of these:

- AED 5,505,000 was taken on 2 April 2015 at an interest rate of 2.45% per annum, of which AED 4,392,900 was repaid on 11 May 2015. The interest rate on balance loan amounting to AED 1,112,100 has increased from 2.45% per annum to 5% per annum with effect from May 12, 2015.

- Two loans of AED 750,000 each were taken on 28 April 2015 and 18 May 2015 at an interest rate of 5.00% per annum. The loan taken on 28 April 2015 has been repaid on 11 May 2015.

(b) The company has obtained a short term loan for working capital amounting to AED 1,000,000 from a related party for Gulf Warehousing Company (GWC) project at Qatar. The loan is unsecured and carries interest rate of 8% per annum and is repayable in one bullet payment at the end of one year (i.e., 8 December 2016) from the date of its disbursement. As per the letter issued by the Lender, if the above loan is not settled due to insufficient funds, the loan can be extended for further one year (i.e., till 8 December 2017).

The nature of significant related party transactions and the amounts involved were as follows:

	2015 **AED**	2014 AED
Revenue (Note 12)	**14,104**	1,500,000
Salaries and benefits recharged to a related party [Note 13]	**1,003,797**	282,000
Finance costs	**140,290**	14,386

6. Related party transactions (continued)

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2015 AED	2014 AED
Short-term benefits	**1,181,250**	530,580
Long-term benefits - end of service indemnity	**62,676**	60,411
	1,243,926	590,991

7. Prepayments and other receivables

	2015 AED	2014 AED
Prepayments	**465,503**	364,490
Staff loan	**647,946**	140,831
Advances	**512,065**	39,062
Deposits	**80,140**	48,880
	1,705,654	593,263

8. Cash and cash equivalents

	2015 AED	2014 AED
Cash in hand	**6,490**	6,245
Bank balances:		
Current accounts	**582,765**	508,661
	589,255	514,906

9. Share capital

The authorised, issued and fully paid-up share capital of the Company comprises of 20,900 equity shares (2014: 11,500 equity shares) of AED 1,000 each held by the Parent Company at the reporting date. The company has issued 9,400 equity shares during the year ended 31 December 2015 (2014: 6,000 equity shares).

10. Provision for employees' end of service indemnity

	2015 AED	2014 AED
Balance at the beginning of the year	**302,413**	133,924
Amounts charged during the year	**440,424**	168,489
Balance at the end of the year	**742,837**	302,413

Provision for employees' end-of-service indemnity is made in accordance with U.A.E. Labour Law and is based on the current remuneration and cumulative years of service at the reporting date.

11. Accruals and other liabilities

	2015 AED	2014 AED
Accruals	**33,324**	89,348
Bonus payable	**487,657**	147,000
Other	**321,040**	31,140
	842,021	267,488

12. Revenue

	2015 AED	2014 AED
Management services revenue	**-**	1,500,000
Interest Income	**14,104**	-
	14,104	1,500,000

13. General and administrative expenses

	2015 AED	2014 AED
Salaries and benefits	**9,189,672**	3,077,147
Less: Salaries and benefits recharged to a related party*	**(1,003,797)**	(282,000)
Net salaries and benefits	**8,185,875**	2,795,147
Travelling	**2,056,096**	812,379
Professional fee	**187,878**	385,876
Depreciation (Note 5)	**296,174**	281,631
Rent	**177,961**	266,008
Communication	**251,414**	143,445
Utilities	**19,894**	90,399
Building and office maintenance	**256,978**	26,656
Entertainment	**-**	42,056
Printing and stationery	**34,863**	31,072
Directors' fee	**25,000**	28,000
Other	**254,151**	184,543
	11,746,284	5,087,212

*Represents expenses recharged for one of the employee deputed in IL&FS Maritime International FZE (a related party) amounting AED 1,003,797 (2014: 282,000).

14. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

	2015 AED	2014 AED
Financial assets		
Loans and receivables (including cash and cash equivalents)	**3,386,760**	1,743,679
Financial liabilities		
At amortised cost	**5,153,036**	1,571,068

14. Financial instruments (continued)

(c) *Fair value of financial instruments*

The fair values of financial assets and financial liabilities at year end approximate their carrying amounts at the reporting date.

15. Financial risk management objectives

The Company's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Company. The management provides principles for overall financial risk management and policies covering specific areas, such as credit risk, currency risk, liquidity risk and interest rate risk.

(a) *Credit risk management*

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk is controlled by counterparty limits that are reviewed and approved by the management.

The Company's principal financial assets are cash and cash equivalents and other receivables. The credit risk on liquid funds is limited because the counterparties are reputable banks registered in the respective countries.

(b) *Foreign currency risk management*

At the reporting date, there were no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in United Arab Emirates Dirhams (AED).

(c) *Liquidity risk management*

The responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the discounted financial liabilities based on the earliest date on which the Company can be required to pay.

15. Financial risk management objectives (continued)

(c) Liquidity risk management (continued)

Liquidity risk tables (continued)

	Avergae interest rate %	Less than 1 year AED	Between 1 to 5 years AED	Total AED
2015				
Interest bearing financial liabilities	**4.34%**	-	**3,112,100**	**3,112,100**
Interest bearing financial liabilities	**8.00%**	**1,000,000**	-	**1,000,000**
Non-interest bearing financial liabilities	-	**1,040,936**	-	**1,040,936**
		2,040,936	**3,112,100**	**5,153,036**
2014				
Interest bearing financial liabilities	3.5%	-	1,250,000	1,250,000
Non-interest bearing financial liabilities	-	321,068	-	321,068

(d) Interest rate risk management

The Company is not exposed to interest rate risk at reporting date since there are no floating rate borrowings.

16. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the equity.

The capital structure of the Company consists of equity comprising issued capital and accumulated losses as disclosed in the statement of changes in equity.

17. Subsequent events

The immediate Parent Company has injected cash by way of equity share capital in the Company of AED 1,500,000 on 23 February 2016 and AED 1,500,000 on 30 March 2016. There is no impact to the figures reported in these financial statements due to timing of this event.

18. Comparatives

Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

19. Approval of the financial statements

The financial statements were approved by the management and signed for issuance on 26 June 2016.