SHARJAH GENERAL SERVICES COMPANY L.L.C.
(KHADAMAT)

Financial statements and independent auditor's report
for the year ended 31 December 2015

SHARJAH GENERAL SERVICES COMPANY L.L.C. (KHADAMAT)

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INDEPENDENT AUDITOR'S REPORT

The Shareholders
Sharjah General Services Company L.L.C. (Khadamat)
United Arab Emirates

Report on the financial statements

We have audited the accompanying financial statements of **Sharjah General Services Company L.L.C. (Khadamat) (the "Company"), Sharjah, United Arab Emirates**, which comprise the statement of financial position as at 31 December 2015, and the statement of 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 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 their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 judgement, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Sharjah General Services Company L.L.C., Sharjah, United Arab Emirates** as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Cont'd…

INDEPENDENT AUDITOR'S REPORT (continued)

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 3 to the financial statements which indicates that the Company incurred a net loss of AED 1,203,154 and had accumulated losses amounting to AED 3,838,290 as at 31 December 2015 and as of that date, the Company's current liabilities exceeded its current assets by AED 1,099,828. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis and do not include any adjustments relating to recoverability and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, as the Shareholders have provided an undertaking that they will continue to provide or arrange for financial support as would be necessary to meet the Company's obligations as they fall due.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015. Since accumulated losses exceeded 50% of the share capital of the Company, and as required by Article 301 of the UAE Federal Law No.(2) of 2015, the Directors of the Company have referred the matter to the Shareholders who have confirmed continuing support to the Company;

iii) the Company has maintained proper books of account;

iv) the financial information included in the report of the Directors' is consistent with the books of account of the Company;

v) the Company has not purchased or invested in any shares during the financial year ended 31 December 2015;

vi) note 6 to the financial statements discloses material related party transactions and balances, and the terms under which they were conducted; and

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2015 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2015.

Deloitte & Touche (M.E.)

Samir Madbak
Registration No. 386
12 July 2016

Statement of financial position
At 31 December 2015

	Notes	2015 AED	2014 AED
ASSETS			
Non-current assets			
Property and equipment	5	**75,950**	95,442
Current assets			
Prepayments and other receivables		**43,108**	17,552
Cash and cash equivalents	7	**32,118**	160,803
Total current assets		**75,226**	178,355
Total assets		**151,176**	273,797
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**300,000**	300,000
Accumulated losses		**(3,838,290)**	(2,635,136)
Total deficit		**(3,538,290)**	(2,335,136)
LIABILITIES			
Non-current liabilities			
Loan from a related party	6	**2,450,000**	1,500,000
Provision for employees' end of service indemnity	9	**64,412**	22,152
Total non-current liabilities		**2,514,412**	1,522,152
Current liabilities			
Due to related parties	6	**1,096,403**	1,027,169
Accruals and other liabilities	10	**78,651**	59,612
Total current liabilities		**1,175,054**	1,086,781
Total liabilities		**3,689,466**	2,608,933
Total equity and liabilities		**151,176**	273,797

Director

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

Statement of comprehensive income
for the year ended 31 December 2015

	Notes	For the year ended 31 December 2015 AED	For the period from 16 July 2013 (inception date to) 31 December 2014 AED
General and administrative expenses	**11**	**(1,133,920)**	(2,607,967)
Finance cost	**6**	**(69,234)**	(27,169)
Loss for the year/period		**(1,203,154)**	(2,635,136)
Other comprehensive income for the year/period		**-**	-
Total comprehensive loss for the year/period		**(1,203,154)**	(2,635,136)

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	Net AED
Share capital introduced	300,000	-	300,000
Total comprehensive loss for the period	-	(2,635,136)	(2,635,136)
Balance at 31 December 2014	300,000	(2,635,136)	(2,335,136)
Total comprehensive loss for the year	-	(1,203,154)	(1,203,154)
Balance at 31 December 2015	**300,000**	**(3,838,290)**	**(3,538,290)**

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

Statement of cash flows
for the year ended 31 December 2015

	For the year ended 31 December 2015	For the period from 16 July 2013 (inception date) to 31 December 2014
	AED	AED
Cash flows from operating activities		
Loss for the year/period	**(1,203,154)**	(2,635,136)
Adjustments for:		
Depreciation of property and equipment	**19,492**	14,989
Finance cost	**69,234**	27,169
Provision for employees' end of service indemnity	**42,260**	22,152
Operating cash flow before changes in operating assets and liabilities	**(1,072,168)**	(2,570,826)
Increase in prepayments and other receivables	**(25,556)**	(17,552)
Increase in due to related parties	**-**	1,000,000
Increase in accruals and other liabilities	**19,039**	59,612
Cash used in operating activities	**(1,078,685)**	(1,528,766)
Cash flows from investing activities		
Purchase of property and equipment	**-**	(110,431)
Net cash used in investing activities	**-**	(110,431)
Cash flows from financing activities		
Share capital introduced	**-**	300,000
Loan from a related party	**950,000**	1,500,000
Net cash generated from financing activities	**950,000**	1,800,000
Net (decrease)/increase in cash and cash equivalents	**(128,685)**	160,803
Cash and cash equivalents at the beginning of the year / period	**160,803**	-
Cash and cash equivalents at the end of the year/period	**32,118**	160,803

Notes to the financial statements
for the year ended 31 December 2015

1. General information

Sharjah General Services Company (Khadmat) (the "Company") was incorporated on 16 July 2013 as a limited liability Company in Sharjah, United Arab Emirates. The Company operates vide a trade licence issued by the Economic Development Department, Government of Sharjah. The Company is a 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 P.O Box 2326, Sharjah, United Arab Emirates.

The object of incorporating this Company is to manage and operate public facilities.

The UAE Federal Law No. (2) of 2015 ("Companies Law") has come into force on 1 July 2015. The Company has twelve months from the effective date of the Companies Law to comply with its provisions ("the transitional provisions") which was further extended for another twelve months period and the Company has availed of these transitional provisions.

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

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these revised IFRSs 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 IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

- Annual Improvements to IFRSs 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 IFRSs in issue but not yet effective and not early adopted

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

New and revised IFRSs	**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

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

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

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

New and revised IFRSs	**Effective for annual periods beginning on or after**
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
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	1 January 2016
IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

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

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

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

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014) (continued) **Impairment:** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.	
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*	1 January 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

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

New and revised IFRSs	Effective for annual periods beginning on or after
Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	
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

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

3. Summary of significant accounting policies

Statement of compliance

The 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, except for the revaluation of certain financial instruments.

The principal accounting policies are set out below.

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

3. Summary of significant accounting policies (continued)

Basis of preparation (continued)

Going concern

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred a loss of AED 1,203,154 during the year ended 31 December 2015, and has accumulated losses of AED 3,838,290 as at that date. Further, negative working capital amounted to AED 1,099,828 as at 31 December 2015. The Company's continued operations as a going concern is dependent on continued financial support from Shareholders. The Shareholders of the Company have provided an undertaking that they will continue to provide or arrange for such financial support as would be necessary for the Company to meet its obligations as they fall due.

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 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
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.

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.

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

3. Summary of significant accounting policies (continued)

Impairment of tangible assets (continued)

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 (AED), 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.

Employee benefits

Annual leave and leave passage

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the period.

Provision for employees' end of service indemnity

Provision is also made for the full amount of end of service indemnity due to non-UAE national employees in accordance with the UAE Labour Law and is based on current remuneration and their period of service at the end of the reporting period.

The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service indemnity is disclosed as a non-current liability.

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

3. Summary of significant accounting policies (continued)

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.

Financial assets

The Company's financial assets include bank balances and cash and other receivables. Other receivables are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method is a method of calculating the amortised 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 through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Bank balances and cash

Bank balances and cash comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and receivables

Loans and receivables that have fixed or determinable payments are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment, except for the short term receivables when the recognition of interest would not be material.

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.

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

3. Summary of significant accounting policies (continued)

Financial assets (continued)

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.

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, loan from related parties and due to related parties 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.

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

3. Summary of significant accounting policies (continued)

Provisions (continued)

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 judgements 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.

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

5. Property and equipment

	Furniture and fixtures AED	Office equipment AED	Data processing equipment AED	Total AED
Cost				
Additions during the period	77,813	5,137	27,481	110,431
As at 31 December 2014 and 2015	**77,813**	**5,137**	**27,481**	**110,431**
Accumulated depreciation				
Charge for the period	6,255	2,072	6,662	14,989
As at 31 December 2014	6,255	2,072	6,662	14,989
Charge for the year	10,910	1,712	6,870	19,492
31 December 2015	**17,165**	**3,784**	**13,552**	**34,481**
Carrying amount				
At 31 December 2015	**60,648**	**1,353**	**13,949**	**75,950**
At 31 December 2014	71,558	3,065	20,819	95,442

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 end of the reporting date, due to related parties were as follows:

	2015 AED	2014 AED
Non-current liabilities		
Loan from a related party		
ITNL International Pte. Ltd.	**2,450,000**	1,500,000

Loan from related party is obtained for working capital requirement. The loan is unsecured, carries interest rate of 3.5% p.a and is repayable in one bullet payment after three years from the date of first drawdown.

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

6. Related party transactions (continued)

	2015 AED	2014 AED
Due to related parties		
ITNL International DMCC, Dubai	**1,000,000**	1,000,000
ITNL International Pte. Ltd.	**96,403**	27,169
	1,096,403	1,027,169

Transactions:

	For the year ended 31 December 2015 AED	For the period from 16 July 2013 (inception date to) 31 December 2014 AED
Finance cost	**69,234**	27,169
Professional fees	**-**	1,500,000

Key management remuneration:

	For the year ended 31 December 2015 AED	For the period from 16 July 2013 (inception date to) 31 December 2014 AED
Directors fees	**-**	70,000

Transactions with related parties were entered into on terms agreed with the management.

7. Cash and cash equivalents

	2015 AED	2014 AED
Cash on hand	**2,006**	2,536
Bank balances:		
Current accounts	**30,112**	158,286
	32,118	16,803

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

8. Share capital

	2015 AED	2014 AED
Authorised, issued and fully paid		
(100 shares of AED 3,000 each)	**300,000**	300,000

The Share capital was contributed by the Shareholders as follows:

	Percentage	No. of shares	Amount AED
ITNL International Pte Ltd,. Singapore ("IIPL)	**49%**	**49**	**147,000**
Shaikh Sultan Ahmed Sultan Al- Qassimi	**41%**	**41**	**123,000**
Shaikh Mohammed Ahmed Sultan Al- Qassimi	**10%**	**10**	**30,000**
	100%	**100**	**300,000**

In accordance with Article 15 of the Memorandum of Association, the profits and losses shall be distributed among shareholders in following proportion:

ITNL International Pte. Ltd., Singapore	-	70%
Shaikh Sultan Ahmed Sultan Al-Qassimi	-	20%
Shaikh Mohammed Ahmed Sultan Al-Qassimi	-	10%

9. Provision for employees' end of service indemnity

	2015 AED	2014 AED
Balance at the beginning of the year	**22,152**	-
Charge for the year	**42,260**	22,152
Balance at the end of the year	**64,412**	22,152

10. Accruals other liabilities

	2015 AED	2014 AED
Accrued expenses	**24,718**	18,362
Other liabilities	**53,933**	41,250
	78,651	59,612

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

11. General and administrative expenses

	For the year ended 31 December AED	For the period from 16 July 2013 (inception date to) 31 December 2014
Salaries and benefits	**826,116**	490,080
Travelling expenses	**58,635**	102,597
Depreciation of property and equipment	**19,492**	14,989
Rent	**80,000**	142,823
Professional fee	**45,648**	1,634,790
Communication charges	**40,086**	37,154
Audit fees	**39,697**	18,362
Rates & taxes	**9,398**	31,730
Director's fees	**-**	70,000
Others	**14,848**	65,442
	1,133,920	2,607,967

12. Financial instruments

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, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

Categories of financial instruments

	2015 AED	2014 AED
Financial assets		
Loans and receivables (including bank balances and cash)	**37,118**	163,803
Financial liabilities		
At amortised cost	**3,625,054**	2,586,781

Management considers that the carrying amounts of the financial assets and financial liabilities recorded in the financial statements approximate their fair values.

13. 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.

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

13. Financial risk management objectives (continued)

Credit risk management

Credit risk refers to the risk that counterparty 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.

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).

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.

The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the Company's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure that adequate liquidity is maintained. The maturity profile of the assets and liabilities at the reporting date based on contractual repayment arrangements was as follows:

31 December 2015

	Less than One year AED	Within 2 to 5 years AED	After 5 years AED	Total AED
Financial assets				
Other receivables	5,000	-	-	**5,000**
Cash and cash equivalents	32,118	-	-	**32,118**
	37,118	-	-	**37,118**
Financial liabilities				
Loan from a related party	-	2,450,000	-	**2,450,000**
Due to related parties	1,096,403	-	-	**1,096,403**
Accruals and other liabilities	78,651	-	-	**78,651**
	1,175,054	2,450,000	-	**3,625,054**

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

13. Financial risk management objectives (continued)

31 December 2014

	Less than One year AED	Within 2 to 5 years AED	After 5 years AED	Total AED
Financial assets				
Other receivables	3,000	-	-	3,000
Cash and cash equivalents	160,803	-	-	160,803
	163,803	-	-	163,803
Financial liabilities				
Loan from a related party	-	1,500,000	-	1,500,000
Due to related parties	1,027,169	-	-	1,027,169
Accruals and other liabilities	59,612	-	-	59,612
	1,086,781	1,500,000	-	2,586,781

Interest rate risk management

The Company's exposure to interest rate risk is limited to loan from related party at fixed interest rates. At 31 December 2015, loan from related party carried an interest rate of 3.5% per annum (31 December 2014: 3.5% per annum).

The Company's sensitivity to interest rates has not changed significantly from the prior year.

14. 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.

15. Comparatives

The Company was incorporated on 16 July 2013 and the comparative information presented in these financial statements is for the period from 16 July 2013 to 31 December 2014.

16. Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on ?? July 2016.