



HALLMARK

—INTERNATIONAL—
AUDITORS & ACCOUNTANTS

HALLMARK INTERNATIONAL AUDITING OF ACCOUNTS

Office 312, RKM Building, Near Al Qiyadah Metro Station, Al Ittihad Road,

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Tel: +971 4 25 99055, Mob: +971 55 7636 758

هول مارك انتر ناشيونال لتدقيق الحسابات

مكتب ٣١٢، مبنى RKM، بالقرب من محطة مترو القيادة، طريق الاتحاد،

ص.ب: ٨٤٩٣٨، دبي، الإمارات العربية المتحدة

هاتف: +٩٧١ ٤ ٢٥٩٩٠٥٥، متحرك: +٩٧١ ٥٥ ٧٦٣٦٧٥٨



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K SERA SERA PRODUCTIONS FZE

**AUDIT REPORT AND ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

HALLMARK INTERNATIONAL AUDITING OF ACCOUNTS

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K Sera Sera Productions FZE

Sharjah- United Arab Emirates

Financial Statements for the year ended 31 March 2017

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K Sera Sera Productions FZE

ESTABLISHMENT INFORMATION

Shareholders

M/s K Sera Sera Productions Ltd

Manager

Mr. Gunjan Goel

Mr. Vikramsingh Jaggusingh Rajput

Establishment activities

The principal activity of the Establishment as per the trade license is "General Trading".

License number

5697

Business address

P.O. Box: 51822

ELOB Office No. E2-105F-63

Hamriyah Free Zone

Sharjah- United Arab Emirates



K Sera Sera Productions FZE

DIRECTORS' REPORT

The Board of Directors of "K Sera Sera Productions FZE" are pleased to present their report together with the audited financials and the Independent Auditor's Report thereon for the year ended March 31, 2017.

Business review

The Establishment's performance for the year ended March 31, 2017 was not satisfactory. The net Loss of the Establishment is AED 638,663 and the Owners' are happy with the improvement in sales and are optimistic about the prospects for the coming year 2018.

Principal activity

The principal activity of the company as per the trade license is "General Trading".

Events subsequent to the balance sheet date

There were no major events which occurred since the year end that materially affect the financial position of the Establishment.

Auditors

The Establishment's auditors, Hallmark International Auditing of Accounts, now retire and being eligible, offer themselves for re-appointment.

Acknowledgement

The Establishment takes this opportunity to place on record their gratitude to the various government departments, banks, professionals and business associates for their continued assistance and support extended to the entity. The Establishment also wish to express their appreciation to the employees at all levels for their hard work, dedication & commitment.

On behalf of the Board,
For K Sera Sera Productions FZE



Authorised Signatory
May 30, 2017.



The Owner
K Sera Sera Productions FZE
Sharjah, United Arab Emirates

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements of M/s. K Sera Sera Productions FZE for the year ended March 31, 2017.

OPINION :

We have audited the accompanying financial statements of K Sera Sera Productions FZE, ("the Establishment"), which comprise of the statement of financial position as at March 31, 2017; statement of comprehensive income; statement of changes in equity; statement of cash flow and summary of significant accounting policies and other explanatory notes for theyear then ended.

In our opinion, the financial statements present fairly, in all material respects, the financial position of K Sera Sera Productions FZE ("the Establishment") as at March 31, 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium sized Entities.

BASIS FOR OPINION :

We conducted our audit in accordance with International Standards on Auditing (ISA's). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements of our report. We are independent of the Establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates and we have fulfilled our responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

RESPONSIBILITIES OF THE MANAGEMENT FOR THE FINANCIAL STATEMENTS :

Management is responsible for the preparation and fair presentation of these financial statements in accordance in accordance with IFRS and their preparation in compliance with the implementing regulations of Dubai Multi Commodities Centre, Government of Dubai, 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. In preparing the financial statements, the management is responsible for assessing the Establishment's ability to continue as a going concern, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Establishment's financial reporting process.

Continued...

INDEPENDENT AUDITOR'S REPORT

(Continued)

AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS :

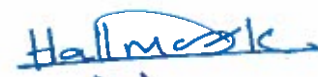
Objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 judgement and maintain professional skepticism through out 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 risks, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment'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 disclosures 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 Establishment to cease to continue as a going concern.

We communicate with those charged with governance 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.

Hallmark International Auditors



Professional License No. 719686
Auditor's Registration Number: 720
Dubai, UAE

Date: May 30, 2017

K Sera Sera Productions FZE
Statement of financial position as on March 31, 2017

	Notes	(in AED)	
		2017	2016
ASSETS EMPLOYED			
Non - current assets			
Property, plant and equipment	3	192,750	1,575,501
Investments	4	64,523,805	64,523,805
		<u>64,716,555</u>	<u>66,099,306</u>
Current assets			
Other receivables	5	63,300,574	63,625,481
Accounts and other receivables	6	134,181,368	134,374,325
Cash and cash equivalents	7	152,967	82,716
		<u>197,634,909</u>	<u>198,082,522</u>
TOTAL ASSETS		<u>262,351,464</u>	<u>264,181,828</u>
FUNDS EMPLOYED			
Equity			
Share capital		40,390,000	40,390,000
Statutory reserve		427,397	427,397
Current account		3,374,372	3,374,372
Retained earnings		218,159,696	218,798,359
		<u>262,351,465</u>	<u>262,990,128</u>
Current liabilities			
Accounts and other payables	8	-	1,191,700
		-	<u>1,191,700</u>
TOTAL LIABILITIES		<u>262,351,465</u>	<u>264,181,828</u>

Annexed notes form an integral part of these financial statements.

For K Sera Sera Productions FZE



Authorised Signatory
May 30, 2017.



K Sera Sera Productions FZE
Statement of comprehensive income for the year ended March 31, 2017

		(in AED)	
	Notes	2017	2016
REVENUE			
Sales		960,960	10,990,112
Less : cost of sales	9	(125,630)	(8,465,335)
Gross profit		835,330	2,524,777
EXPENDITURE			
Administrative and general expenses	10.	91,242	1,004,531
Depreciation		1,382,751	1,023,049
		1,473,993	2,027,580
Operational profit / loss		(638,663)	497,197
Other income		-	-
Net comprehensive income		(638,663)	497,197

Annexed notes form an integral part of these financial statements.

For K Sera Sera Productions FZE



Authorised Signatory
 May 30, 2017.



K Sera Sera Productions FZE
Statement of changes in equity for the year ended March 31, 2017

Particulars	<i>(in AED)</i>			
	Share capital	Statutory reserve	Current account	Retained earnings
As on April 01, 2016	40,390,000	427,397	3,374,372	218,798,359
Profit / loss) for the year	-	-	-	(638,663)
Net movement in current account	-	-	-	-
As on March 31, 2017	40,390,000	427,397	3,374,372	218,159,696

Annexed notes form an integral part of these financial statements.



K Sera Sera Productions FZE**Statement of cash flow for the year ended March 31, 2017**

	(in AED)	
	2017	2016
I. FROM OPERATING ACTIVITIES		
Net comprehensive income	(638,663)	497,197
<i>Adjustments:</i>		
Depreciation	1,382,751	1,023,049
Cash flow before working capital changes	744,088	1,520,246
Working capital changes		
(Increase) / decrease in other receivables	324,906	-978,763
(Increase) / decrease in accounts receivables	192,957	(642,560)
Increase / (decrease) in accounts and other payables	(1,191,700)	56,747
Net cash flow used in operating activities (A)	70,251	(44,330)
II. FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	-
Changes in investment	-	-
Net cash used in investing activities (B)	-	-
III. FROM FINANCING ACTIVITIES		
Net movement in current account	-	-
Net cash generated from financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	70,251	(44,330)
Cash and cash equivalents, beginning of the year	82,716	127,046
Cash and cash equivalents, end of the year	152,967	82,716
CASH & CASH EQUIVALENTS		
Cash	20,560	80,560
Bank balances	132,407	2,156
Cash and cash equivalents as per cash flow statement	152,967	82,716

Annexed notes form an integral part of these financial statements.



K Sera Sera Productions FZE

Significant accounting policies to the financial statements for the year ended March 31, 2017

The financial statements have been prepared for the year ended March 31, 2017.

1. LEGAL STATUS ACTIVITIES AND MANAGEMENT
1.1 Legal status
K Sera Sera Productions FZE

K SERA SERA PRODUCTIONS FZE - Sharjah - U.A.E- is duly incorporated in the Emirates of Sharjah as a Free zone Establishment under the Commercial license no 5697, The license was issued by Hamriyah Free Zone Authority and the first issue of the license was on 19/11/2009

The registered office of the Establishment is located in the Emirate of Sharjah.

As per the Memorandum & Articles of Association and its subsequent amendments: the issued, subscribed and paid up capital of the Establishment as on March 31, 2017 is as mentioned below:

Shareholders	Amount (in AED)	%
M/s K Sera Sera Productions Ltd	40,390,000	100%
Total	40,390,000	100%

1.2 Activities

The principal activity of the company as per the trade license is "General Trading".

1.3 Management

The management and control of the Establishment are vested with the Manager.

2. SIGNIFICANT ACCOUNTING POLICIES
2.1 Basis of preparation
Statement of compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued and adopted by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretation Committee of the IASB enforce and the requirements of the local laws and regulations.

2.2 Accounting convention

These financial statements have been prepared on a going concern basis under the historical cost convention except for the measurement at fair values, of financial assets at fair value through profit or loss including those designated as such upon initial recognition and those classified as held for trading.

The financial statements of the Establishment are prepared on a going concern basis as the management has no intention to liquidate the Establishment or cease its operations. The assets and liabilities are recorded on the basis that entity will be able to realise its assets and discharge its liabilities in the normal course of business.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Going concern assumption

The continuation of the Establishment's operation depend upon future profitable operation and continued financial support from the shareholders. The shareholders of the Establishment have provided an undertaking that they will continue to provide or arrange financial support as would be necessary for the Establishment to meet its obligations as and when they fall due in the foreseeable future.

2.4 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revisions affect only that period, or in the period of revisions and future periods if the revisions affect both current and future periods.

Judgments made by the management in the application of accounting policies that have the most significant effect on the amounts recognized in the financials statements, and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with in the next financial year, are as explained in the remaining part of Note 2.

2.5 Property, plant and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment.

All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

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

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.6 Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the Establishment becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets

a. Initial recognition and measurement

Financial assets are recognized on the balance sheet when, and only when, the Establishment becomes a party to the contractual provisions of the financial instrument. The Establishment determines the classification of its financial assets at initial recognition.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

b. Subsequent measurement

The subsequent measurement of non derivative financial assets depend on their classification as follows:

The Establishment classifies non derivative financial assets as follows : financial assets at fair value through profit or loss, held to maturity financial assets, available for sale financial assets and loans and receivables.

c. Held to maturity financial assets

The Establishment does not have any held to maturity financial assets.

d. Available for sale financial assets

Available for sale financial assets include equity and debt securities. Equity investments classified as available for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to need for liquidity or in response to changes in the market conditions.

2.8 Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, and through the amortization process.

2.9 Impairment of non-financial assets

The Establishment assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Establishment estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Establishment's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Establishment bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Establishment's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to projected future cash flows after the fifth year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets (Continued)

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Establishment estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 Impairment of financial assets

The Establishment assesses at each reporting date whether there is any objective evidence that a financial asset or a Establishment of financial assets is impaired. A financial asset or a Establishment of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Establishment of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Establishment of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, any impairment loss is recognized in the statement of comprehensive income. Impairment is determined as follows:

- a. For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognized in the statement of comprehensive income;
- b. For assets carried at cost, impairment is the difference between the carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- c. For assets carried at amortized cost, impairment is the difference between the carrying amount and the present value of future cash flows discounted at the original effective interest rate.

2.11 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Establishment and the revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue represents the value of services rendered. Revenue is accounted based on the invoices made during the period and is recognized when the entity has provided services to the customer.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cheques on hand, balance in current accounts, bank balances, and short-term deposits with an original maturity of three months or less and highly liquid investments with a maturity date of three months or less from the date of investment.

2.13 Employee terminal benefits

The Establishment provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued at the time of termination of service agreement.

2.14 Foreign currency

Transactions in foreign currencies are initially recorded by the Establishment at the currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

2.15 Provisions

Provisions are recognized when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Establishment expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.16 Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

2.17 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

K Sera Sera Productions FZE

Notes to the financial statements for the year ended March 31, 2017

3. PROPERTY, PLANT AND EQUIPMENT

	(Amount in AED)			
	Furniture & Fixtures	Office equipment	Motor Vehicles	Total
COST				
As on April 01, 2016	3,171,351	4,908,798	1,357,500	9,437,649
Additions	-	-	-	-
Deletion	-	-	-	-
As on March 31, 2017	3,171,351	4,908,798	1,357,500	9,437,649
DEPRECIATION				
As on April 01, 2016	2,596,220	4,372,678	893,250	7,862,148
For the period	575,131	536,120	271,500	1,382,751
Deletion	-	-	-	-
As on March 31, 2017	3,171,351	4,908,798	1,164,750	9,244,899
NET BOOK VALUE				
As on March 31, 2017	-	-	192,750	192,750
As on March 31, 2016	575,131	536,120	464,250	1,575,501

The Establishment reviews the carrying value of its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The impairment is measured as the amount by which the carrying value exceeds the fair value of the asset as determined by an estimate of undiscounted cash flows.

K Sera Sera Productions FZE

Notes to the financial statements for the year ended March 31, 2017

	<i>(in AED)</i>	
	2017	2016
4. INVESTMENTS		
Investments	25,000,000	25,000,000
Quoted investments- CityGold corporation Limited (Australia)	39,523,805	39,523,805
	<u>64,523,805</u>	<u>64,523,805</u>
5. OTHER RECEIVABLES		
Receivable from staff	11,503,713	11,503,713
Deposits	51,754,268	51,754,268
Prepayment	-	192,500
Other receivable	42,593	175,000
	<u>63,300,574</u>	<u>63,625,481</u>
6. ACCOUNTS RECEIVABLES		
Due for less than three months	-	-
Due for More than six months	134,181,368	134,374,325
Less: Provision for doubtful debts	-	-
Trade receivable	<u>134,181,368</u>	<u>134,374,325</u>
<p>The current year credit risk spread over more customers than the year before and the fair value of customers outstanding balances shown in balance sheet are 100% realisable.</p>		
7. CASH AND CASH EQUIVALENTS		
Cash in hand	20,560	80560
Cash at bank	132,407	2,156
	<u>152,967</u>	<u>82,716</u>
8. ACCOUNTS AND OTHER PAYABLES		
Sundry creditors	-	863,470
Others payable	-	328,230
	<u>-</u>	<u>1,191,700</u>

	(in AED)	
	2017	2016
9. COST OF SALES		
Purchase	-	-
Direct cost	125,630	8,465,335
	<u>125,630</u>	<u>8,465,335</u>
10. ADMINISTRATIVE AND GENERAL EXPENSES		
Salaries & Benefits	63,000	789,155
Travelling & Conveyance	2,150	15,680
Utility Expenses	1,250	7,800
Communications & postage	850	7,780
Legal and professional fees	-	15,751
Finance Cost	-	80,296
Printing & stationary	1,452	5,500
Rent	20,000	40,000
Miscellaneous Expenses	2,540	42,569
	<u>91,242</u>	<u>1,004,531</u>

11. FINANCIAL INSTRUMENTS

Financial instruments mean financial assets, financial liabilities and equity instruments. Financial assets of the Establishment include trade and other receivables, other current assets and cash & bank balances. Financial liabilities include trade and other payable, accruals and bank borrowings. Accounting policies for financial assets and liabilities are set out in note. Disclosures about significant financial instruments to which the Establishment is a party, including the recognition methods adopted, are disclosed in the individual policy statements associated with each item.

The management believes that the fair value of the financial assets and liabilities are not significantly different from their carrying amounts at balance sheet date.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed. The primary risks to which the business is exposed comprises of credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

a. Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period. The Establishment has no significant concentration of credit risk. Cash balance is held with high credit quality financial institutions and the Establishment has policies to limit the amount of credit exposure to any financial institution.

The Establishment's bank accounts are placed with high credit quality financial institutions. The Establishment manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. Credit risk is limited to the carrying value of financial assets in the balance sheet.

11. FINANCIAL INSTRUMENTS (CONTINUED)**b. Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions, recognized assets and liabilities are denominated in a currency that is not the Establishment's functional currency. The Establishment does not have any significant currency risk as the Establishment's transactions are mainly in United Arab Emirate Dirham (AED) and US Dollar (USD). AED are pegged to USD and as such there are no currency fluctuation risks on this account.

c. Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to change in market interest rates. The Establishment has income and operating cash flows are substantially independent of the changes in market interests rates. The borrowings from other parties are towards business loan and are exposed to fixed interest rate.

d. Capital risk management

The Establishment manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Establishment's overall strategy remains unchanged during the year.

e. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

12. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING DATE

As at the approval of the financial statements, the Establishment does not have any other significant events that warrant a modification of the value of its assets and liabilities or any other disclosure.

13. RELATED PARTY TRANSACTIONS

The Establishment enters into transactions with companies and entities that fall within definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprises companies and entities under common ownership and/ or common management and control and key management personnel. The Establishment's management decides on the term and conditions of such related party transactions as well as on other services and charges.

14. SEGMENT REPORTING

There are no separate business line to be reported as per the management and hence, there are no reportable business segment.

15. FAIR VALUE MEASUREMENT

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A significant portion of the Establishment's financial instruments is carried at fair value. The fair value of the financials instruments are not materially different from their carrying amounts.

16. GENERAL

- a. Figures in the financial statements are rounded off to the nearest United Arab Emirates Dirham.
- b. Previous Year figures are regrouped and (or) reclassified, wherever necessary for better presentation of financial statements and they are shown for comparison purposes only.
- c. In the opinion of the management, all the assets as shown in the financial statement are existing and realizable at the amount shown against them, and there are no liabilities against the concern, contingent or otherwise, not included in the above financial statements.

For K Sera Sera Productions FZE



Authorised Signatory
May 30, 2017.

