

A.R.K FZC
FINANCIAL STATEMENTS
31 December 2013

P. O. BOX 16438
RAS AL KHAIMAH, UNITED ARAB EMIRATES

A.R.K FZC
FINANCIAL STATEMENTS
31 December 2013

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AUDITOR'S REPORT

The Shareholders
A.R.K FZC

We have audited the attached Balance sheet of Messrs. A.R.K FZC, RAS AL KHAIMAH, UNITED ARAB EMIRATES as at 31 December 2013, and the related income statement for the year ended on that date, as set out on pages 2 - 8 of these financial statements. These financial statements are the responsibility of the management of the company. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present a true and fair view, in all material aspects, of the financial position of Messrs. A.R.K FZC, RAS AL KHAIMAH, UNITED ARAB EMIRATES and the results of its operations and fund flows for the year ended on that date, in accordance with International Financial Reporting Standards. Also in our opinion, proper books of account have been maintained by the company and the contents of the report of the manager relating to these financial statements are in agreement with the books of account. To the best of our knowledge and belief, no violations of the UAE Commercial Companies Law have occurred during the year which would have had a material effect on the business of the company or on its financial position.

AL SAIF AUDITING & ACCOUNTANTS
CHARTERED ACCOUNTANTS



28 July 2014

A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
BALANCE SHEET AS ON 31 DECEMBER 2013

	<u>Notes</u>	<u>2013</u> <u>AED</u>	<u>2012</u> <u>AED</u>
Current Assets			
Cash in bank current accounts	5	18,107,405	3,199,470
Accounts receivable	6	5,864,904	96,838
		<u>23,972,309</u>	<u>3,296,308</u>
Current Liabilities			
Accounts payable		(343,437)	(36,355)
Accrued expenses		(1,514,411)	-
Unearned revenue		(14,237,491)	-
		<u>(16,095,339)</u>	<u>(36,355)</u>
Net Current Assets		7,876,970	3,259,953
		<u>7,876,970</u>	<u>3,259,953</u>
Shareholders Funds			
Share capital		150,000	150,000
Retained earnings		9,171,435	4,148,885
		9,321,435	4,298,885
Directors'current accounts		(1,501,629)	(1,038,932)
CTA Equity & Investments		57,164	-
		<u>7,876,970</u>	<u>3,259,953</u>

The Auditors' Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements

For A.R.K FZC



A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
STATEMENT OF INCOME & APPROPRIATION OF PROFITS
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>Notes</u>	<u>2013</u> <u>AED</u>	<u>2012</u> <u>AED</u>
Turnover		79,967,348	42,537,954
Project expenses		(64,495,337)	(38,473,193)
Gross income		<u>15,472,011</u>	<u>4,064,761</u>
Interest & other income		-	28,509
Total income		<u>15,472,011</u>	<u>4,093,270</u>
Operating expenses	7	(7,824,451)	(345,771)
Financial expenses	8	(2,625,010)	(72,934)
Net profit		<u><u>5,022,550</u></u>	<u><u>3,674,565</u></u>
Retained earnings b/f		4,148,885	474,320
Current year's profit/(loss)		5,022,550	3,674,565
Retained earnings		<u><u>9,171,435</u></u>	<u><u>4,148,885</u></u>

The Auditors' Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements

For A.R.K FZC



A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
STATEMENT OF SOURCE & APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>2013</u>	<u>2012</u>
	<u>AED</u>	<u>AED</u>
Cashflow from operating activities		
Net profit for the year	5,022,550	3,674,565
<u>Changes in operating assets</u>		
Change in accounts receivable	(5,768,066)	(75,838)
Change in accounts payables	16,058,984	(31,145)
(A)	15,313,468	3,567,582
Cashflow from financing activities		
Directors' funds	(462,697)	(1,081,390)
CTA Equity & Investments	57,164	-
(B)	(405,533)	(1,081,390)
Net increase in cash & cash equivalents (A+B)	14,907,935	2,486,192
Cash & cash equivalents at beginning of the year	3,199,470	713,278
Cash & cash equivalents at end of the year	18,107,405	3,199,470

The Auditors' Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements



A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>Share capital</u> AED	<u>Retained earnings</u> AED	<u>Directors accounts</u> AED	<u>CTA Equity & investments</u> AED	<u>Total</u> AED
As on 1 January 2012	150,000	474,320	42,458	-	666,778
Profit for the year	-	3,674,565	-	-	3,674,565
Net movement in the year	-	-	(1,081,390)	-	(1,081,390)
As on 31 December 2012	150,000	4,148,885	(1,038,932)	-	3,259,953
As on 1 January 2013	150,000	4,148,885	(1,038,932)	-	3,259,953
Profit for the year	-	5,022,550	-	-	5,022,550
Net movement in the year	-	-	(462,697)	57,164	(462,697)
As on 31 December 2013	150,000	9,171,435	(1,501,629)	57,164	7,819,806

The Auditors' Report is set forth on Page 1.

The attached notes and schedules form an integral part of these Financial Statements



A.R.K FZC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

- a) A.R.K FZC is a limited liability company registered in the Ras Al Khaimah Free Trade Zone under commercial licence # 6001917 issued by the RAK Free Zone Authority on 2 June 2010. The shareholders and their respective interests in the company are as follows:

Alistair James Harris	British	60%	90,000
Lara Challita	Lebanese	40%	60,000
			150,000

- b) The company is engaged in the business of providing quality & standardization consultancy services.

2. **SIGNIFICANT ACCOUNTING POLICIES**

a) **Accounting convention**

These Financial Statements are prepared under the historical cost convention and in accordance with International Accounting Standards and Interpretations issued or adopted by the International Accounting Standards Board. They conform to the International Financial Reporting Standards and are in compliance with the UAE Commercial Companies Law No. 8 of 1984. Accounting policies and practices applied are consistent from one period to another. It is presumed that the company will continue to operate normally in the foreseeable future.

b) **Cash & cash equivalents**

Cash and cash equivalents comprise cash, balances in bank current accounts, deposits free of any encumbrances and a maturity date less than three months from the date of deposit and highly liquid investments.

c) **Accounts receivables**

All debts are current and are deemed good. Bad debts, if any, are written off as they arise. The company does most of its business with regular customers.

d) **Revenue**

Revenue represents the total invoiced value for goods delivered and / or services rendered during the year less returns and discounts.



A.R.K FZC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

e) **Recognition of income & expense**

Income is recognised when earned and not when received. Expenses are charged when incurred and not when paid except for leave salary and travel benefits which are charged as and when they are paid.

f) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rates of exchange prevailing on the date of such transactions. Assets and liabilities in foreign currencies are translated into UAE Dirhams at the rates of exchange prevailing on the date of Balance sheet. The resultant gain or loss is taken into the profit and loss account.

3. **FINANCIAL INSTRUMENTS: FAIR VALUES & RELATED RISKS**

Credit risk

Financial assets which potentially expose the company to concentrations of credit risk comprise principally of bank accounts and trade receivables. The establishment's bank accounts are placed with financial institutions with very good credit ratings and hence very low risk.

Interest rate risk

The establishment's fixed deposits, are at fixed rates. Vehicle loans and other borrowings too are at fixed rates. Bank overdrafts and other credits extended by banks are availed at floating rates generally prevalent in the UAE.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and liabilities are denominated in UAE Dirhams, Euros or US Dollars to which the Dirham is pegged.

4. **FINANCIAL COMMITMENTS**

There were no significant commitments, of capital nature or otherwise as on the date of this Balance sheet.



A.R.K FZC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>2013</u>	<u>2012</u>
	<u>AED</u>	<u>AED</u>
5		
<u>CASH & BANK</u>		
Cash in hand	205,451	77,990
Cash at bank	17,901,954	3,121,480
	<u>18,107,405</u>	<u>3,199,470</u>
6		
<u>ACCOUNTS RECEIVABLE</u>		
Prepaid expenses	266,286	3,074
Advances & deposits	5,597,488	92,645
Other assets	1,130	1,119
	<u>5,864,904</u>	<u>96,838</u>
7		
<u>OPERATING EXPENSES</u>		
Administrative & general overheads	229,533	256,736
Travelling & entertainment	7,594,918	89,035
	<u>7,824,451</u>	<u>345,771</u>
8		
<u>FINANCIAL EXPENSES</u>		
Financial costs	1,359,577	-
Exchange losses	1,069,486	58,746
Bank charges	195,947	14,188
	<u>2,625,010</u>	<u>72,934</u>

9 **CONTINGENT LIABILITIES**

The management has confirmed that no liabilities exist, contingent or otherwise, as on the date of Balance sheet other than those included in the Balance sheet.

10 **OTHERS**

Figures have been rearranged and regrouped wherever necessary to confirm to the presentation adopted in these financial statements. All figures are rounded off to the nearest UAE Dirham.

The Auditors' Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements



A.R.K FZC

FINANCIAL STATEMENTS
31 December 2012

P. O. BOX 16438
RAS AL KHAIMAH, UNITED ARAB EMIRATES

A.R.K FZC

FINANCIAL STATEMENTS

31 December 2012

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AUDITOR'S REPORT

The Shareholders
A.R.K FZC

We have audited the attached Balance sheet of Messrs. A.R.K FZC, RAS AL KHAIMAH, UNITED ARAB EMIRATES as at 31 December 2012, and the related income statement for the year ended on that date, as set out on pages 2 - 8 of these financial statements. These financial statements are the responsibility of the management of the company. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present a true and fair view, in all material aspects, of the financial position of Messrs. A.R.K FZC, RAS AL KHAIMAH, UNITED ARAB EMIRATES and the results of its operations and fund flows for the year ended on that date, in accordance with International Financial Reporting Standards. Also in our opinion, proper books of account have been maintained by the company and the contents of the report of the manager relating to these financial statements are in agreement with the books of account. To the best of our knowledge and belief, no violations of the UAE Commercial Companies Law have occurred during the year which would have had a material effect on the business of the company or on its financial position.

AL SAIF AUDITING & ACCOUNTANTS
CHARTERED ACCOUNTANTS

28 May 2013

A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
BALANCE SHEET AS ON 31 DECEMBER 2012

	<u>Notes</u>	<u>2012</u> <u>AED</u>	<u>2011</u> <u>AED</u>
Current Assets			
Cash in bank current accounts	5	3,199,470	713,278
Accounts receivable	6	96,838	21,000
		<u>3,296,308</u>	<u>734,278</u>
Current Liabilities			
Accounts payable		(36,355)	(67,500)
		<u>(36,355)</u>	<u>(67,500)</u>
Net Current Assets			
		3,259,953	666,778
		<u>3,259,953</u>	<u>666,778</u>
Shareholders Funds			
Share capital		150,000	150,000
Retained earnings		4,148,885	474,320
		<u>4,298,885</u>	<u>624,320</u>
Directors'current accounts		(1,038,932)	42,458
		<u>3,259,953</u>	<u>666,778</u>

The Auditors' Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements

For A.R.K FZC

A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
STATEMENT OF INCOME & APPROPRIATION OF PROFITS
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>Notes</u>	<u>2012</u> <u>AED</u>	<u>2011</u> <u>AED</u>
Turnover		42,537,954	695,103
Project expenses		(38,473,193)	-
Gross income		<u>4,064,761</u>	<u>695,103</u>
Interest & other income		28,509	3,634
Total income		<u>4,093,270</u>	<u>698,737</u>
Operating expenses	7	(345,771)	(142,827)
Financial expenses	8	(72,934)	(8,340)
Net profit		<u><u>3,674,565</u></u>	<u><u>547,570</u></u>
Retained earnings b/f		474,320	(73,250)
Current year's profit/(loss)		3,674,565	547,570
Retained earnings		<u><u>4,148,885</u></u>	<u><u>474,320</u></u>

The Auditors' Report is set forth on Page .1.

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For A.R.K FZC

A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
STATEMENT OF SOURCE & APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	<u>AED</u>	<u>AED</u>
Cashflow from operating activities		
Net profit for the year	3,674,565	547,570
<u>Changes in operating assets</u>		
Change in accounts receivable	(75,838)	55,000
Change in accounts payables	(31,145)	67,500
(A)	<u>3,567,582</u>	<u>670,070</u>
 Cashflow from financing activities		
Directors' funds	(1,081,390)	(14,818)
(B)	<u>(1,081,390)</u>	<u>(14,818)</u>
 Net increase in cash & cash equivalents (A+B)	2,486,192	655,252
Cash & cash equivalents at beginning of the year	<u>713,278</u>	<u>58,026</u>
Cash & cash equivalents at end of the year	<u><u>3,199,470</u></u>	<u><u>713,278</u></u>

The Auditors' Report is set forth on Page .1.

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A.R.K FZC
RAS AL KHAIMAH, UNITED ARAB EMIRATES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>Share capital AED</u>	<u>Retained earnings AED</u>	<u>Directors accounts AED</u>	<u>Total AED</u>
Capital employed	150,000	(73,250)	57,276	134,026
Profit for the year	-	547,570	-	547,570
Net movement in the year	-	-	(14,818)	(14,818)
As on 31 December 2011	150,000	474,320	42,458	666,778
As on 1 January 2012	150,000	474,320	42,458	666,778
Profit for the year	-	3,674,565	-	3,674,565
Net movement in the year	-	-	(1,081,390)	(1,081,390)
As on 31 December 2012	150,000	4,148,885	(1,038,932)	3,259,953

The Auditors' Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements

A.R.K FZC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

- a) A.R.K FZC is a limited liability company registered in the Ras Al Khaimah Free Trade Zone under commercial licence # 6001917 issued by the RAK Free Zone Authority on 2 June 2010. The shareholders and their respective interests in the company are as follows:

Alistair James Harris	British	60%	90,000
Lara Challita	Lebanese	40%	60,000
			<u>150,000</u>

- b) The company is engaged in the business of providing quality & standardization consultancy services.

2. **SIGNIFICANT ACCOUNTING POLICIES**

a) **Accounting convention**

These Financial Statements are prepared under the historical cost convention and in accordance with International Accounting Standards and Interpretations issued or adopted by the International Accounting Standards Board. They conform to the International Financial Reporting Standards and are in compliance with the UAE Commercial Companies Law No. 8 of 1984. Accounting policies and practices applied are consistent from one period to another. It is presumed that the company will continue to operate normally in the foreseeable future.

b) **Cash & cash equivalents**

Cash and cash equivalents comprise cash, balances in bank current accounts, deposits free of any encumbrances and a maturity date less than three months from the date of deposit and highly liquid investments.

c) **Accounts receivables**

All debts are current and are deemed good. Bad debts, if any, are written off as they arise. The company does most of its business with regular customers.

d) **Revenue**

Revenue represents the total invoiced value for goods delivered and / or services rendered during the year less returns and discounts.

A.R.K FZC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

e) **Recognition of income & expense**

Income is recognised when earned and not when received. Expenses are charged when incurred and not when paid except for leave salary and travel benefits which are charged as and when they are paid.

f) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rates of exchange prevailing on the date of such transactions. Assets and liabilities in foreign currencies are translated into UAE Dirhams at the rates of exchange prevailing on the date of Balance sheet. The resultant gain or loss is taken into the profit and loss account.

3. **FINANCIAL INSTRUMENTS: FAIR VALUES & RELATED RISKS**

Credit risk

Financial assets which potentially expose the company to concentrations of credit risk comprise principally of bank accounts and trade receivables. The establishment's bank accounts are placed with financial institutions with very good credit ratings and hence very low risk.

Interest rate risk

The establishment's fixed deposits, are at fixed rates. Vehicle loans and other borrowings too are at fixed rates. Bank overdrafts and other credits extended by banks are availed at floating rates generally prevalent in the UAE.

Exchange rate risk

There are no significant exchange rate risks as substantially all financial assets and liabilities are denominated in UAE Dirhams, Euros or US Dollars to which the Dirham is pegged.

4. **FINANCIAL COMMITMENTS**

There were no significant commitments, of capital nature or otherwise as on the date of this Balance sheet.

A.R.K FZC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	<u>AED</u>	<u>AED</u>
5		
<u>CASH & BANK</u>		
Cash in hand	77,990	-
Cash at bank	3,121,480	713,278
	<u>3,199,470</u>	<u>713,278</u>
6		
<u>ACCOUNTS RECEIVABLE</u>		
Prepaid expenses	3,074	1,000
Advances & deposits	92,645	20,000
Other assets	1,119	-
	<u>96,838</u>	<u>21,000</u>
7		
<u>OPERATING EXPENSES</u>		
Salaries	34,896	-
Rent & leasing costs	137,184	124,980
Licensing & other fees	28,804	8,730
General overheads	55,852	9,117
Travelling & entertainment	89,035	-
	<u>345,771</u>	<u>142,827</u>
8		
<u>FINANCIAL EXPENSES</u>		
Exchange losses	58,746	-
Bank charges	14,188	8,340
	<u>72,934</u>	<u>8,340</u>

9 **CONTINGENT LIABILITIES**

The management has confirmed that no liabilities exist, contingent or otherwise, as on the date of Balance sheet other than those included in the Balance sheet.

10 **OTHERS**

Figures have been rearranged and regrouped wherever necessary to confirm to the presentation adopted in these financial statements. All figures are rounded off to the nearest UAE Dirham.

The Auditors' Report is set forth on Page .1.

The attached notes and schedules form an integral part of these Financial Statements