IIFL Private Wealth Management (Dubai) Limited

Dubai – United Arab Emirates

Directors' Report

And

Audited Financial Statements

31 March 2016

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IIFL Private Wealth Management (Dubai) Limited
Directors' Report And Audited Financial Statements
31 March 2016

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DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 March 2016.

FINANCIAL RESULTS

During the year ended 31 March 2016, IIFL Private Wealth Management (Dubai) Limited ("the Company") earned revenues of AED 4,404,000 (2015: AED 4,404,000). The profit for the year amounted to AED 1,467,805 (2015: AED 1,181,989).

DIRECTORS

The Directors of the Company who served during the year were:

- Mr. Rajamani Venkataraman
- Mr. Yatin Prakashchandra Shah
- Mr. Amit Nitin Shah

On behalf of the Board of Directors

.......A.N.Shah.....
Amit Shah
Director

P.O.Box 115064
Dubai
United Arab Emirates
25 April 2016

RSM Dahman Auditors
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF IIFL PRIVATE WEALTH MANAGEMENT (DUBAI) LIMITED

We have audited the accompanying financial statements of IIFL Private Wealth Management (Dubai) Limited ("the Company") which comprise the statement of financial position as at 31 March 2016, 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.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the applicable provisions of the Dubai Financial Services Authority (DFSA) Prudential Rulebooks, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Shareholder of the Company as a body, for our audit work, for this report, or for the opinions we have formed. 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and 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 the 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.

Contd...

Independent Auditor's Report continued…

<u>Opinion</u>

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2016 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Signed by:

RSM Dahman

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RSM Dahman
Accountants • Auditors • Consultants

Basab Deb
Partner
No. 1006056
RSM Dahman

25 April 2016
Dubai, United Arab Emirates

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	*31 March 2016* *AED*	*31 March 2015* *AED*
ASSETS			
NON CURRENT ASSETS			
Furniture and equipment	4	29,154	60,794
CURRENT ASSETS			
Due from related parties	5a	255,491	251,991
Other receivables and prepayments	6	246,811	193,154
Bank balances	7	3,298,732	1,680,130
		3,801,034	2,125,275
Total assets		**3,830,188**	**2,186,069**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	3,370,682	3,370,682
Retained earnings / (Accumulated losses)		81,248	(1,386,557)
Total equity		3,451,930	1,984,125
NON-CURRENT LIABILITIES			
Employees' end of service benefits	9	210,823	137,328
CURRENT LIABILITIES			
Payables and accruals	10	167,435	64,616
Total equity and liabilities		**3,830,188**	**2,186,069**

Independent auditors' report on pages (2) and (3).

These financial statements have been approved and authorised for issue by the Board of Directors on 25 April 2016 and signed on their behalf by:

Santhosh Thyagarajan
Senior Executive Officer
25 April 2016

Amit Shah
Director
25 April 2016

The attached notes 1 to 15 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Note	*1 April 2015 to 31 March 2016 AED*	*1 April 2014 to 31 March 2015 AED*
INCOME			
Revenues	11	4,404,000	4,404,000
Interest income		3,493	199
		4,407,493	4,404,199
EXPENSES			
General and administrative expenses	12	2,939,688	3,222,210
PROFIT FOR THE YEAR		1,467,805	1,181,989
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,467,805	1,181,989

The attached notes 1 to 15 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Share capital AED (Note 8)	*Retained earnings / (Accumulated losses) AED*	*Total AED*
Balance at 1 April 2014	3,370,682	(2,568,546)	802,136
Profit for the year	-	1,181,989	1,181,989
Other comprehensive income	-	-	-
Total comprehensive income	-	1,181,989	1,181,989
Balance at 31 March 2015	**3,370,682**	**(1,386,557)**	**1,984,125**
Profit for the year	-	1,467,805	1,467,805
Other comprehensive income	-	-	-
Total comprehensive income	-	1,467,805	1,467,805
Balance at 31 March 2016	**3,370,682**	**81,248**	**3,451,930**

The attached notes 1 to 15 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	Notes	*1 April 2015 to 31 March 2016 AED*	*1 April 2014 to 31 March 2015 AED*
OPERATING ACTIVITIES			
Profit for the year		1,467,805	1,181,989
Adjustments for:			
Depreciation	4	38,544	37,538
Finance charges		1,891	1,881
Interest income		(3,493)	(199)
Net movement in provision for employees' end of service benefits	9	73,495	36,484
		1,578,242	1,257,693
Working capital changes:			
Increase in due from related parties	5a	(3,500)	(57,500)
(Increase) / Decrease in other receivables and prepayments	6	(53,657)	17,812
Increase in payables and accruals	10	102,819	36,566
Cash generated from operations		1,623,904	1,254,571
Finance charges paid		(1,891)	(1,881)
Interest income		3,493	199
Net cash generated from operating activities		1,625,506	1,252,889
INVESTING ACTIVITIES			
Purchase of equipment	4	(6,904)	-
Net cash used in investing activities		(6,904)	-
FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
INCREASE IN CASH AND CASH EQUIVALENTS		1,618,602	1,252,889
Cash and cash equivalents at the beginning of the year		1,680,130	427,241
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,298,732	1,680,130
Represented by:			
Bank balances	7	3,298,732	1,680,130

The attached notes 1 to 15 form part of these financial statements.

1 LEGAL STRUCTURE AND PRINCIPAL ACTIVITIES

IIFL Private Wealth Management (Dubai) Limited ("the Company") was established as a limited liability company on 28 September 2010 under the Companies Law, DIFC Law No. (2) of 2009. On 31 October 2010, the Company was authorized and licensed by the Dubai Financial Services Authority (DFSA).

The Company has been granted a prudential "Category 4" license by Dubai Financial Services Authority (DFSA) and is engaged in the business of arranging credit or deals in investments and advising on financial products or credit. The Company is wholly owned by IIFL Wealth Management Limited ("the Parent Company"), a company incorporated in India.

The registered office of the Company is office no. 808, Liberty House, Dubai International Financial Center, Dubai, UAE and its postal address is P.O. Box 115064, Dubai, UAE.

The financial statements were authorized for issue in accordance with a resolution of the Directors on 23 April 2016.

2 BASIS OF PREPARATION

The financial statements have prepared under the historical cost convention and have been presented in UAE Dirhams, which is the Company's functional and presentation currency.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and applicable provisions of the DFSA Prudential Rulebooks.

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a) *New standards and interpretations effective for annual period beginning on or after 1 January 2015:*

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

Annual Improvements 2010-2012 Cycle:

- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 8 Operating Segments
- IAS 16 Property, Plant and Equipment
- IAS 38 Intangible Assets
- IAS 24 Related Party Disclosures

Annual Improvements 2011-2013 Cycle:

- IFRS 3 Business Combinations
- IFRS 13 Fair Value Measurement
- IAS 40 Investment Property

Although these new standards and interpretation apply for the first time in 2015, they do not have a material impact on the financial statements of the Company.

3.2 SIGNIFICANT ACCOUNTING POLICIES

Furniture and equipment

Furniture and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation of furniture and equipment are charged using the straight line method so as to provide for the full cost of assets over their estimated useful lives. The principal categories of assets and their estimated useful lives are as follows:

	Years
Office equipment	5
Furniture and fixtures	5

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Furniture and equipment *(continued)*

Subsequent costs are included in the asset's carrying amount or recognized 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 repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Financial assets

Initial recognition and measurement:

The Company recognizes financial assets on its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets are recognized at fair value which is normally the transaction price.

Subsequent measurement:

Subsequent measurement of financial assets depends on how they have been treated on initial recognition. IAS 39 prescribes classification of the financial assets in one of the following four categories:

a) *Financial assets at fair value through profit and loss:* Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives. All changes in fair value relating to assets at fair value through profit and loss are charged to the statement of profit or loss and other comprehensive income as incurred.

For the year ended on 31 March 2016, the Company did not carry any financial assets classified in this category.

b) *Loans and receivables:* Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that the Company intends to sell immediately or in the near term cannot be classified in this category. These assets are carried at cost minus any reduction for impairment or un-collectability. The amount of loss is recognized in the statement of profit or loss and other comprehensive income.

Typically, amounts due from related parties,deposits and other receivables are included in this category.

c) *Held to maturity financial assets:* These are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

For the year ended on 31 March 2016, the Company did not carry any financial assets classified in this category.

d) *Available for sale financial assets:* These are non-derivative financial assets that are designated either as available for sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available for sale financial assets are recognized directly in equity until the security is disposed off or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in profit or loss.

For the year ended on 31 March 2016, the Company did not carry any financial assets classified in this category.

Impairment and un-collectability of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a financial asset or a group of financial assets may be impaired. If such evidence exists, any impairment loss is recognized in the profit or loss. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value;

(b) For assets carried at cost, impairment is the difference between cost and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities

Initial recognition and measurement:

The Company recognizes financial liabilities on its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. On initial recognition, all financial liabilities are recognized at fair value which is normally the transaction price.

Subsequent measurement:

Subsequent measurement of financial liabilities depends on how they have been treated on initial recognition. IAS 39 prescribes classification of the financial liabilities in one of the following two categories:

a) *Liabilities at fair value through profit and loss:* Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives. All changes in fair value relating to liabilities at fair value through profit and loss are charged to profit or loss.

For the year ended on 31 March 2016, the Company did not carry any financial liabilities held for trading or designated as at fair value through profit and loss.

b) *Other financial liabilities:* All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortized cost using the effective interest method.

Typically, payables and accruals are included in this category.

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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair values

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances.

Employees' end of service benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually 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 over the period of employment.

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following recognition criteria must also be met before revenue is recognised:

Revenue represents income from marketing support and referral services, and is recognised in accordance with the terms of the contract

Foreign currencies

Transactions in foreign currencies are recorded in AED at the approximate rates of exchange prevailing at the time of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the date of statement of financial position. All differences are taken to the statement of profit or loss and other comprehensive income.

Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Contingencies

Contingent liabilities are not recognised but are disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will be recognised as provision. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Most significant accounting estimates and judgments

In preparing its financial statements in conformity with International Financial Reporting Standards, the Company has to make significant judgment, estimates and assumptions that impact the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Company periodically monitors such estimates and assumptions to ensure that they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures from differing from estimates. Key judgment, estimates and assumptions are subject to management approval.

3.2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Most significant accounting estimates and judgments *(continued)*

At the reporting date, management has mainly made the following key judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements:

- *Estimated useful life*

The Company follows the guidance of IAS 16 to determine estimated useful life of furniture and equipment. This determination requires significant judgment. In making this judgment, the management estimates the period over which an asset is expected to be available for use by the Company.

4 FURNITURE AND EQUIPMENT

	Office equipment *AED*	*Furniture and fixtures* *AED*	*Total* *AED*
Cost:			
At 1 April 2014	10,299	177,389	187,688
Additions during the year	-	-	-
At 31 March 2015	10,299	177,389	187,688
Additions during the year	6,904	-	6,904
At 31 March 2016	17,203	177,389	194,592
Depreciation:			
At 1 April 2014	3,618	85,738	89,356
Charge for the year	2,060	35,478	37,538
At 31 March 2015	5,678	121,216	126,894
Charge for the year	3,066	35,478	38,544
At 31 March 2016	8,744	156,694	165,438
Net carrying amounts:			
At 31 March 2015	4,621	56,173	60,794
At 31 March 2016	**8,459**	**20,695**	**29,154**

5 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, shareholders and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the statement of comprehensive income are as follows:

	31 March 2016 *AED*	*31 March 2015* *AED*
Revenue – marketing support fees (Note 11)	4,404,000	4,404,000
Remuneration to a director (Note 12)	1,200,000	1,014,000
Remuneration to key management personnel (Note 12)	919,083	1,055,582

5(a) DUE FROM RELATED PARTIES

Balances with related parties included in the statement of financial position are as follows:

	31 March 2016 *AED*	*31 March 2015* *AED*
India Infoline Limited (Group Company)	248,491	248,491
IIFL Holdings Limited (Ultimate Parent Company)	7,000	-
India Infoline Commodities DMCC (Group Company)	-	3,500
	255,491	251,991

Terms and conditions of transactions with related parties

The transactions with related parties are made at terms equivalent to those that prevails in arm's length transactions. Above outstanding balances at the year-end arises in normal course of business and are unsecured, interest free and settlement occurs generally in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2016, the Company has not recorded any impairment of receivables relating to the amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

6 OTHER RECEIVABLES AND PREPAYMENTS

	31 March 2016 *AED*	*31 March 2015* *AED*
Prepayments	137,592	143,822
Deposits	28,784	28,784
Accrued interest – Fixed deposit	31	8
Other receivables	80,404	20,540
	246,811	193,154

7 BANK BALANCES

	31 March 2016 *AED*	*31 March 2015* *AED*
Cash in Bank:		
Current accounts	2,905,188	1,286,929
Fixed deposits	393,544	393,201
	3,298,732	1,680,130

The current accounts are held with local bank.

8 SHARE CAPITAL

	31 March 2016 *AED*	*31 March 2015* *AED*
Authorized:		
1,000,000 ordinary shares of USD 1 (AED 3.67) each	3,670,000	3,670,000
Subscribed, issued and fully paid:		
918,442 ordinary shares of USD 1 (AED 3.67) each	3,370,682	3,370,682

8 SHARE CAPITAL *(continued)*

Capital management risk

The Company objectives when managing capital are to ensure the Company ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of investments and optimize benefits for the shareholders to maintain an optimal capital structure and to reduce the cost of capital.

Capital resources as defined by the DFSA Prudential Rulebooks are as follows:

	31 March 2016 *AED*	*31 March 2015* *AED*
Elements of Common Equity Tier 1 (CET1) Capital	3,451,930	1,984,125
Less: Deductions from CET1 Capital	-	-
CET1 Capital	3,451,930	1,984,125
Elements of Additional Tier 1 (AT1) Capital	-	-
Less: Deductions from (AT1) Capital	(119,947)	(157,650)
Tier 1 Capital (CET1 + AT1 Capital)	3,331,983	1,826,475
Elements of Additional Tier 2 (T2) Capital	-	-
Less: Deductions from (T2) Capital	-	-
Capital resources (Tier 1 + Tier 2 Capital)	3,331,983	1,826,475

Capital requirement applicable to the Company in accordance with PIB Rule 3.5 of the DFSA Prudential Rulebooks is the higher of:

	31 March 2016 *AED*	*31 March 2015* *AED*
Base capital requirement (BCR)	36,500	36,500
Expenditure based capital requirement (EBCR) (as notified to the firm)	365,000	365,000
Expenditure based capital requirement (EBCR) (based on actual expense)	1,232,985	1,423,764

The Company is in compliance with minimum capital adequacy requirement as at 31 March 2015 and 2016.

9 EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision for employees' end of service benefits is as follows:

	31 March 2016 *AED*	*31 March 2015* *AED*
Balance at beginning	137,328	100,844
Provided for the year	73,495	73,767
Paid during the year	-	(37,283)
Closing balance	210,823	137,328

10 PAYABLES AND ACCRUALS

	31 March 2016 *AED*	*31 March 2015* *AED*
Professional fees payable	17,435	17,433
Staff payables	150,000	42,000
Other payables	-	5,183
	167,435	64,616

11 REVENUES

	1 April 2015 to 31 March 2016 AED	*1 April 2014 to 31 March 2015 AED*
Marketing support fees (Note 5)	4,404,000	4,404,000

12 GENERAL AND ADMINISTRATIVE EXPENSES

	1 April 2015 to 31 March 2016 AED	*1 April 2014 to 31 March 2015 AED*
Salaries and benefits:		
Directors' remuneration (Note 5)	1,200,000	1,014,000
Key management personnel (Note 5)	919,083	1,055,582
Other employees	58,080	276,978
Other staff costs	117,902	139,608
Compliance and regulatory fees	55,237	55,050
Professional and legal fees	226,818	321,453
Rent expenses	181,921	175,680
Communication charges	47,567	56,008
Loss on exchange	12,500	9,450
Depreciation (note 4)	38,544	37,538
Finance charges	1,891	1,881
Other administrative expenses	80,145	78,982
	2,939,688	3,222,210

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

The financial assets of the Company comprise cash in bank, other receivables due from related parties. The financial liabilities of the Company comprise payables and accruals. The accounting policies for financial assets and liabilities are set out in note (3.2).

The following table summarizes the carrying amount of financial assets and liabilities recorded at year end by IAS 39 category:

	31 March 2016 AED	*31 March 2015 AED*
FINANCIAL ASSETS		
Cash and cash equivalents	3,298,732	1,680,130
Financial assets at fair value through profit or loss		
- those designated as such upon initial recognition	-	-
- those classified as held for trading	-	-
Available for sale investments	-	-
Loans and receivables	364,710	301,323
Held-to-maturity investments		-
Total financial assets	3,663,442	1,981,453
FINANCIAL LIABILITIES		
At fair value through profit or loss	-	-
Measured at amortised cost:		
- Borrowings	-	-
- Derivative financial instruments	-	-
- Other financial liabilities	167,435	64,616
Total financial liabilities	167,435	64,616

14 COMMITMENTS AND CONTINGENCIES

Future minimum rentals payable under operating leases as at 31 March are as follows:

	31 March 2016 *AED*	*31 March 2015* *AED*
Within one year	193,688	184,464
After one year but not more than five years	-	193,688
	193,688	378,152

15 FINANCIAL RISK MANAGEMENT

Fair value

The management believes that the fair values of the Company's financial instruments are not materially different from their carrying values at the reporting date due to short term maturities of these instruments.

Interest rate risk

The Company is not exposed to any interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables and investment securities.

Financial assets that potentially expose the establishment to concentrations of credit risk comprise principally of bank accounts, trade and other receivables.

The Company has policies in place to ensure that the sales of services are provided to customers with an appropriate credit history. Amounts due from related parties are considered recoverable by the management. The Company's bank accounts are placed with reputable and established commercial banks.

There are no concentrations of credit risk to debtors outside the industry in which the Company operates.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company limits its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's undiscounted financial liabilities at 31 March 2016, based on contractual payment dates, mature within 3 months of the year end.

Currency risk

The functional and reporting currency used by the Company is AED. There are no significant exchange rate risks as significantly all financial assets and liabilities are denominated in AED or USD to which AED is fixed.