**BRITANNIA AND ASSOCIATES (DUBAI)
PVT COMPANY LIMITED**

P O Box 4254, Dubai, UAE

FINANCIAL STATEMENTS

Year ended 31 March 2016

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

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BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report and Accounts of the Company for the financial year ended 31 March 2016.

ACTIVITIES

The business of the Company is investment holding.

RESULTS

The loss for the year ended is USD 196,240 (previous year loss USD 193,318) which is carried forward to the statement of financial position.

SHAREHOLDER, DIRECTORS AND SECRETARY

The sole shareholder of the Company is Britannia and Associates (Mauritius) Pvt Company Limited.

Directors of the Company are as follows:

1. Mr. Nusli Wadia
2. Mr. Varun Berry
3. Mr. Chandra Kumar Gujadhur

Secretary of the Company is Mr. Vishal Bhimani [previous year Mr. Vishal Bhimani].

AUDITORS

Mahendra Asher & Co., Chartered Accountants, P O Box 4421, Dubai, UAE, have offered themselves for reappointment as Auditors for next year.

For **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED**

SD/-

DIRECTORS

Dubai

Dated:

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

We have audited the accompanying financial statements of **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED ("the Company")**, which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and other 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 for such internal control as management determines is necessary to enable 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 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 opinion on effectiveness of the entity's internal control. An audit 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.

Stand alone financial statements

As stated in Note 1.5, these are stand alone financial statements as per IAS 27. Consolidated financial statements will be separately prepared by the Company.

Opinion

The financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

We also confirm that in our opinion proper books of account have been kept by the Company and that these financial statements and the contents of the Directors' Report which relate to these financial statements are in agreement with the books of account. We have obtained all the information and explanations we required for the purpose of our audit.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 3 which indicate that these financial statements have been prepared on a going concern basis notwithstanding the accumulated loss of USD 2,651,976 at 31 March 2016 (31 March 2015: USD 2,455,736) and excess of current liabilities over current assets of USD 13,683,905 (31 March 2015: USD 13,487,665). The continuation of the Company's operations is dependent upon future profitable operations, continued financial support of the Holding Company, and the ability of the Company to generate future cash flows to meet its future obligations. The Holding Company has confirmed its willingness to provide necessary support, financial or otherwise, for the Company to meet its future obligations as they fall due.

SD/-

For **MAHENDRA ASHER & CO.**

Dubai
Dated :

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION - AT 31 MARCH 2016

(All figures in USD)

	Notes	2016	2015
ASSETS			
Non-current assets			
Investment in subsidiaries	6	22,283,190	22,283,190
Total non-current assets		22,283,190	22,283,190
Current assets			
Receivables	7	13,000,000	15,500,000
Deposit		681	681
Bank balance	8	37,683	35,653
Total current assets		13,038,364	15,536,334
TOTAL ASSETS		35,321,554	37,819,524
EQUITY AND LIABILITIES			
Equity			
Capital		270	270
Share premium	9	199,730	199,730
Accumulated (loss)		(2,651,976)	(2,455,736)
(Deficit) in equity		(2,451,976)	(2,255,736)
Liabilities			
Non-current liabilities			
Non-current portion of term loan from Holding Company	10	11,051,261	11,051,261
Total non-current liabilities		11,051,261	11,051,261

STATEMENT OF FINANCIAL POSITION - AT 31 MARCH 2016-(CONTINUED)

(All figures in USD)

	Notes	2016	2015
Current liabilities			
Payables	11	2,130,391	1,932,121
Due to Holding Company	12	24,591,878	27,091,878
Current portion of term loan from Holding Company	10	-	-
Total current liabilities		26,722,269	29,023,999
Total liabilities		37,773,530	40,075,260
TOTAL EQUITY AND LIABILITIES		35,321,554	37,819,524

The attached Notes 1 to 18 form part of these financial statements.

We have approved these financial statements, and confirm that we are responsible for them including the selection of accounting policies and making judgements underlying them. We also confirm that we have made available all accounting records and information for preparing these financial statements.

Directors have authorised the issue of these financial statements on

For Independent Auditors' Report, see pages 3 & 4

For **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED**

SD/-

DIRECTORS
Dubai

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED 31 MARCH 2016

(All figures in USD)

	Notes	2016	2015
Interest income		215,701	342,822
Interest expense		(363,853)	(490,635)
Other operating expenses	13	(48,088)	(45,505)
(Loss) for the year		(196,240)	(193,318)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(196,240)	(193,318)

The attached Notes 1 to 18 form part of these financial statements

For Independent Auditors' Report, see pages 3 & 4

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED 31 MARCH 2016

(All figures in USD)

	Capital	Share premium	Accumulated (loss)	Total
Balance at 31 March 2014	270	199,730	(2,262,418)	(2,062,418)
(Loss) for the year	-	-	(193,318)	(193,318)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the year	-	-	(193,318)	(193,318)
Total transactions with owners	-	-	-	-
Balance at 31 March 2015	270	199,730	(2,455,736)	(2,255,736)
(Loss) for the year	-	-	(196,240)	(196,240)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the year	-	-	(196,240)	(196,240)
Total transactions with owners	-	-	-	-
Balance at 31 March 2016	270	199,730	(2,651,976)	(2,451,976)

Capital consists of 100 shares of AED 10 each fully paid.

The attached Notes 1 to 18 form part of these financial statements

For Independent Auditors' Report, see pages 3 & 4

BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED

STATEMENT OF CASH FLOWS - YEAR ENDED 31 MARCH 2016

(All figures in USD)

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the year		(196,240)	(193,318)
Operating (loss) before working capital changes		(196,240)	(193,318)
Decrease in receivables		2,500,000	4,500,000
Increase in payables		198,270	200,774
Net cash from operating activities		2,502,030	4,507,456
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
Net cash from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance repaid to Holding Company		(2,500,000)	(4,500,000)
Net cash (used in) financing activities		(2,500,000)	(4,500,000)
Net increase in cash and cash equivalents		2,030	7,456
Cash and cash equivalents - beginning of year		35,653	28,197
Cash and cash equivalents - end of year	8	37,683	35,653

The attached Notes 1 to 18 form part of these financial statements

For Independent Auditors' Report, see pages 3 & 4

(All figures in USD)

1 REPORTING ENTITY

1.1 **BRITANNIA AND ASSOCIATES (DUBAI) PVT COMPANY LIMITED** ("the Company") is a Limited Liability Company formed under Jebel Ali Free Zone Authority Offshore Companies Regulations 2003 vide registration no. OF3003 dated 21 February 2007.

1.2 Registered office address of the Company is P O Box 4254, Dubai, UAE.

1.3 The financial statements are presented in US Dollars (USD) which is the functional currency of the Company.

1.4 The sole shareholder of the Company is Britannia and Associates (Mauritius) Pvt Limited holding 100 shares of AED 10 each.

1.5 The financial statements are prepared as stand alone financial statement as per IAS 27. Consolidated financial statement will be separately prepared by the Company.

2 ACTIVITIES

Business of the Company is investment holding.

3 GOING CONCERN

These financial statements have been prepared on a going concern basis notwithstanding the accumulated loss of USD 2,651,976 at 31 March 2016 (31 March 2015: USD 2,455,736) and excess of current liabilities over current assets of USD 13,683,905 (31 March 2015: USD 13,487,665). The continuation of the Company's operations is dependent upon future profitable operations, continued financial support of the Holding Company, and the ability of the Company to generate future cash flows to meet its future obligations. The Holding Company has confirmed its willingness to provide necessary support, financial or otherwise, for the Company to meet its future obligations as they fall due.

4 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Except on stand alone in Note 1.5. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and applicable requirements of UAE laws. Significant accounting policies, adopted and applied consistently in dealing with items that are considered material in relation to these financial statements, are set out below.

Amendments to IFRSs that are effective for the current year

The Company has adopted the following amended IFRSs during the period:

* Amendments to IAS 19 Employee Benefits *re: Defined Benefit Plans- Employee Contributions* (effective 1 July 2014)

* Annual Improvements to IFRSs 2010-2012 Cycle (effective 1 July 2014)

* Annual Improvements to IFRSs 2011-2013 Cycle (effective 1 July 2014)

Adoption of the above Standards and Interpretations do not have any material impact on the financial position or performance of the Company.

New and revised IFRSs in issue but not effective for the current year

The following new and revised IFRSs which have been issued have not yet been adopted by the Company as these are effective for future dates.

* IFRS 9 Financial Instruments (effective 1 January 2018)

* IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)

* IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)

* IFRS 16 Leases (effective from 1 January 2019)

* Amendments to IFRS 11 Joint Arrangements *re: Accounting for Acquisitions of Interests in Joint Operations* (effective 1 January 2016)

* Amendments to IAS 1 Presentation of Financial Statements *re: Disclosure Initiative* (effective from 1 January 2016)

* Amendments to IAS 16 Property Plant and Equipment and IAS 38 Intangible Assets *re: Clarification of Acceptable Methods and Amortisation* (effective 1 January 2016)

* Amendments to IAS 16 Property Plant and Equipment and IAS 41 Agriculture *re: Bearer Plants* (effective 1 January 2016)

* Amendments to IAS 27 Separate Financial Statements *re: Equity Method in Separate Financial Statements* (effective 1 January 2016)

* Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures *re: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred)

* Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures *re: Investment Entities: Applying Consolidation Exceptions* (effective 1 January 2016)

* Annual Improvements to IFRSs 2012-2014 Cycle (effective 1 January 2016)

Adoption of the above new and revised IFRSs in the future periods are not expected to have material impact on the financial position or performance of the Company, *except for:*

IFRS 9, 'Financial instruments' contains requirements for (a) classification and measurement of financial assets and financial liabilities, (b) impairment methodology, and (c) general hedge accounting.

With respect to classification and measurement of financial assets and liabilities, all recognized financial assets that are currently within the scope of IAS 39 will be measured at either amortised cost or fair value. Specifically,

- debt instruments that are held within a business model whose objective is to collect contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost (net of write down for impairment).

- all other debt instruments must be measured at their fair value through profit or loss.

- all equity instruments are to be measured in the statement of financial position at fair value, with gains and losses recognized in profit or loss except that if an equity investment is not held for trading, an irrevocable election can be made at initial recognition to measure the equity investment at fair value through other comprehensive income with dividend income recognized in profit or loss.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognized. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanism in IAS 39. However greater flexibility has been introduced to the types of transactions eligible for hedge accounting and the effectiveness test has been overhauled and replaced with the principle of 'economic relationship'. Enhanced disclosure requirements about an entity's risk management activities have been introduced.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 will supersede the current standards on Revenue recognition as prescribed in IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Standard introduces a 5 step approach to revenue recognition as under:
-identify the contracts with a customer
-identify the performance obligations in the contract
-determine the transaction price
-allocate the transaction price to performance obligations in the contract
-recognise revenue when, or as, the entity satisfies a performance obligation (that is when control of the goods or services underlying the particular performance obligation is transferred to the customer)

IFRS 16, 'Leases' provides how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less. Lessors continue to classify leases as operating or finance, with IFRS 16's approach being substantially similar to the current version of IAS 17.

Above new and revised IFRSs will be adopted at the future dates at which time the impact on the financial position or performance of the Company will be evaluated.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention.

(b) Investment in subsidiaries

Subdiaries are all entities (including structured entities) over which the Group has control. The Group has control over an entity when (a) it has power over the entity, (b) it is exposed, or has rights, to variable returns from its involvement with the entity and (c) has the ability to use its power to affect returns. All three of these criteria must be met for the Group to have control over an entity.

Investment in subsidiaries is accounted at cost as per IAS 27 para 10(a).

(c) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(d) Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets, financial liabilities and equity instruments are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial asset or financial liability is recognised initially at fair value plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial asset or issue of financial liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to offset the amounts and intends to settle either on a net basis, or realise the asset and settle the liability simultaneously.

The Company derecognises financial assets when the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred to another entity.

The Company derecognises financial liabilities when the obligations are discharged, cancelled or they expire.

Financial assets classification

Financial assets comprise of four categories viz.
(i) financial assets at fair value through profit or loss
(ii) held-to-maturity investments
(iii) loans and receivables, and
(iv) available-for-sale financial assets

Classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Items (i), (ii) and (iv) are not applicable to the Company.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost less any impairment. These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets and include the following items (Notes 7 and 8).

-Receivables and advances- On impairment, provision for doubtful debts is deducted from the receivables. If the receivable is uncollectible it is written off. Provision for impairment and reversals thereof are recognised in profit or loss.

-Cash and cash equivalents comprise of bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities classification

Financial liabilities comprise of two categories viz.
(i) financial liabilities at fair value through profit or loss
(ii) other financial liabilities

Item (i) is not applicable to the Company.

Other financial liabilities are measured at amortised cost. These are included in current liabilities, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current liabilities and includes term loan from Holding Company payables and due to Holding Company (Notes 10, 11 and 12).

Equity

Capital is classified as equity since it evidences residual interest of the shareholders after deducting liabilities. Dividend paid, if any, is deducted from the equity.

(e) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets (investment in subsidiaries) are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is recognised in profit or loss.

Financial assets

A financial asset not carried at fair value is considered to be impaired if objective evidence indicates that one or more events (such as significant financial difficulty, delay or default in payment, bankruptcy and other observable data indicators) on the part of the counterparty have adversely impacted on the estimated future cash flows of that financial asset. An impairment loss is recognised in profit or loss. An impairment loss is reversed and recognised in profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment loss, if reflected in an allowance account as in case of loans and receivables, is written off if there is no realistic prospect of recovery. If a write off is recovered in future, the recovery is recognised in profit or loss.

(f) Revenue recognition

Interest income is recognised on effective yield basis.

(g) Foreign currency transactions

Foreign currency transactions are recorded in USD at the approximate rate of exchange prevailing at the time of the transactions. Foreign currency balances of monetary assets and liabilities are translated to USD at the rate of exchange prevailing at the end of the reporting period. Gains or losses on exchange are recognised in profit or loss.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects 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 recognised in the financial statements, and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained in Note 4.

	2016	2015
6 INVESTMENT IN SUBSIDIARIES		
Balance – beginning/end of the year	22,283,190	22,283,190

Investment made in the following Subsidiary Companies:

Name of the Company	Country of incorporation	Types of shares held	Percentage holding		
Al Sallan Foods Industries SAOC	Oman	Ordinary	65.46% @	272	272
Strategic Foods International Company LLC	UAE	Ordinary	100.00%	12,553,563	12,553,563
Non Reciprocal Contribution To Strategic Foods International Company LLC +	UAE	-	-	5,449,592	5,449,592
Strategic Brands Holding Co. Ltd.	UAE	Ordinary	100.00%	4,279,763	4,279,763
				22,283,190	22,283,190

The directors have reviewed the financial position and the performance of the above subsidiary companies and they are of the opinion that the estimated recoverable amounts of the investments are not less than their carrying amount.

+ This represents amount provided by the Company in the capacity of shareholder, being non reciprocal capital contribution, free of interest, unsecured and repayable entirely at the discretion of the Subsidiary Company.

@ In addition 28.06% held by Khimji family (the previous shareholders) for beneficial interest of the Company as per Shareholders Agreement dated 10 March 2009, effective from 28 June 2009. Balance 6.48% is held by the public.

Following table summarises the financial information of Al Sallan Foods Industries SAOC in their financial statements:

	2016	2015
Summary statement of financial position :		
Non-current assets	6,139,921	6,249,491
Current assets	3,977,996	4,671,993
Total assets	10,117,917	10,921,484
Equity	(7,729,028)	(8,633,267)
Non-current liabilities	9,923,088	9,910,497
Current liabilities	7,923,857	9,644,254
Total equity and liabilities	10,117,917	10,921,484
Equity attributable:		
- To the Holding Company	(7,228,187)	(8,073,831)
- To the non-controlling interest	(500,841)	(559,436)
Summary statement of profit or loss and other comprehensive income :		
Revenue	31,926,217	26,533,658
Other income	125,526	238,202
Profit for the year	904,239	52,558
Other comprehensive income	-	-
Total comprehensive income for the year	904,239	52,558
Profit attributable:		
- To the Holding Company	845,644	49,152
- To the non-controlling interest	58,595	3,406

Following table summarises the financial information of Strategic Foods International Company LLC in their financial statements:

	2016	2015
Summary statement of financial position :		
Non-current assets	5,601,713	6,585,512
Current assets	19,105,121	16,890,270
Total assets	24,706,834	23,475,782
Equity	6,622,488	3,549,667
Non-current liabilities	7,560,485	9,963,236
Current liabilities	10,523,861	9,962,879
Total equity and liabilities	24,706,834	23,475,782
Equity attributable:		
- To the Holding Company	6,622,488	3,549,667
- To the non-controlling interest	-	-

Summary statement of profit or loss and other comprehensive income :

	2016	2015
Revenue	65,818,645	54,130,924
Other income	277,714	1,170,038
Profit for the year	3,072,820	5,293,231
Other comprehensive income	-	-
Total comprehensive income for the year	3,072,820	5,293,231
Profit attributable:		
- To the Holding Company	3,072,820	5,293,231
- To the non-controlling interest	-	-

Following table summarises the financial information of Strategic Brands Holding Co. Ltd. in their financial statements:

Summary statement of financial position :

Non-current assets	-	-
Current assets	681	681
Total assets	681	681
Equity	(91,270)	(81,846)
Non-current liabilities	-	-
Current liabilities	91,951	(82,527)
Total equity and liabilities	681	681
Equity attributable:		
- To the Holding Company	(91,270)	(81,846)
- To the non-controlling interest	-	-

Summary statement of profit or loss and other comprehensive income :

Revenue	-	-
Other income	-	-
(Loss) for the year	(9,424)	(9,443)
Other comprehensive income	-	-
Total comprehensive (loss) for the year	(9,424)	(9,443)
Profit attributable:		
- To the Holding Company	(9,424)	(9,443)
- To the non-controlling interest	-	-

7 RECEIVABLES

	2016	2015
Loan to related enterprises +	13,000,000	15,500,000
+ Represents loan due from		
Strategic Foods International Co. LLC, Dubai	7,000,000	9,500,000
Al Sallan Food Industries Co SAOC, Oman	6,000,000	6,000,000
	13,000,000	15,500,000

Interest is accrued on the above loan 1.33% to 1.64% p.a. (previous year 1.80% to 2.19% p.a.).

Other classes within receivables do not include impaired assets.

The maximum amount of credit risk at the end of the reporting period is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

8 BANK BALANCE

	2016	2015
Cash at bank – current accounts	37,683	35,653

9 SHARE PREMIUM

In the financial year ended 2007 the Company issued its share capital at a premium of USD 1,997.30 per share that is USD 199,730.

10 TERM LOAN FROM HOLDING COMPANY

	2016	2015
Balance – beginning/end of the year	11,051,261	11,051,261

Above loan received from the Holding Company is unsecured. The said loan will be payable in 7 years in 14 equal instalments commencing from March 2018 (instead of from September 2014). Interest accrued at 1.07% p.a. (previous year 1.07% p.a.).

Term loan from Holding Company repayable is as under

	2016	2015
Current portion of loan maturing within one year	-	-
Non-current portion of loan maturing after one year but within 5 years	5,525,631	3,946,879
Non-current portion of loan maturing after 5 years	5,525,630	7,104,382
	11,051,261	11,051,261

		2016	2015
11	**PAYABLES**		
	Due to a related party *	392,086	359,270
	Holding Company current account	1,679,245	1,502,893
	Accrued expenses	59,060	69,958
		2,130,391	1,932,121

* Represent amount due to Strategic Foods International Company LLC, Dubai.

		2016	2015
12	**DUE TO HOLDING COMPANY**		
	Interest free advance +	11,032,083	11,032,083
	Interest bearing advance @	559,795	559,795
	Interest bearing advance @@	13,000,000	15,500,000
		24,591,878	27,091,878

+ This represents unsecured and interest free loan repayable on demand.

@ Unsecured, interest accrued at 6% p.a. (previous year 6% p.a.)

@@ Unsecured, interest accrued at 1.28% to 1.75% p.a. (previous year 1.75% to 2.14% p.a.).

		2016	2015
13	**OTHER OPERATING EXPENSES**		
	Legal and professional fees	41,680	41,584
	Other expenses	6,408	3,921
		48,088	45,505

14 TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with related parties as defined in International Accounting Standard 24. Significant transactions with related parties are as under:

	2016	2015
Holding Company		
Interest expense	363,853	490,635
Subsidiaries		
Interest income	215,701	342,822

Terms of these transactions are approved by the Company's management.

Amount outstanding (Notes 7, 10, 11 and 12) are unsecured and will be settled in the normal course of business.

15 FINANCIAL INSTRUMENTS-RISK MANAGEMENT

The Company's activities are subject to variety of financial risks: market risk (principally currency risks and interest rate risks), credit risk and liquidity risk. The Company seeks to minimise the potential adverse effects of these risks on the financial performance.

(a) Market risk

Currency risks

Substantial portion of the transactions are designated in USD and in AED whose rate is fixed to USD; hence, there is no material exchange rate risk.

At the end of the reporting period, since there was no material exposure to currencies other than USD currencies, profit for the year is not materially sensitive to currency risks.

Interest rate risk

For interest received on term loan to subsidiaries, see Note 7. At the end of the reporting period if the interest rate on such assets increased/decreased by 1% with all other variables held constant loss for the year would have been lower/higher by USD 130,000 (previous year loss would have been lower/higher by USD 155,000).

For interest paid on long term loan and other advances from Holding Company, see Notes 10 and 12. At the end of the reporting period, if the interest rate on such liabilities is increased/decreased by 1%, with all other variables held constant, loss for the year would have been higher/lower by USD 246,110 (previous year loss would have been higher/lower by USD 271,110).

(b) Credit risk

Financial assets which potentially subject the Company to concentration of credit risk consist principally of bank balances and receivable from related enterprises. Bank balances are with regulated financial institutions. Amount due from related enterprises based in UAE and Oman and the same is considered recoverable by the management in the ordinary course of business.

(c) Liquidity risks

Liquidity management implies generating adequate cash from operations to meet the Company's liabilities, and availability of funding through committed credit facilities and own sources. The table below analyses the Company's financial liabilities based on the remaining year at the end of the reporting period to the contracted maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	< than 6 months	>6 months and <1 year	>1 year and <5 years	>5 years
At 31 March 2016				
Payables	2,130,391	-	-	-
Due to Holding Company	12,295,939	12,295,939	-	-
Term loan from Holding Company	-	-	5,525,631	5,525,630
At 31 March 2015				
Payables	1,932,121	-	-	-
Due to Holding Company	13,545,939	13,545,939	-	-
Term loan from Holding Company	-	-	3,946,879	7,104,382

(d) Fair values

At the end of the reporting period, the carrying amounts of financial assets and financial liabilities approximated their fair values.

16 CAPITAL RISK MANAGEMENT

The Company's objective is to maintain healthy capital ratios to support its business and provide adequate returns to the owners and other stakeholders.

The Company monitors capital on the basis of gearing ratio. This ratio is calculated as Net debt ÷ Total own funds. Net debt is calculated as all liabilities less bank balance. Total own funds comprise of capital, share premium less accumulated loss.

The gearing ratio at the end of the reporting period were as under (not meaningful in view of deficit in equity) :

	2016	2015
Total liabilities	37,773,530	40,075,260
Less : Bank balance	(37,683)	(35,653)
Net debt	37,735,847	40,039,607
(Deficit) in equity	(2,451,976)	(2,255,736)
Gearing ratio	Not meaningful	Not meaningful
of the total liabilities, % owed to Holdings Company	98.80%	98.93%

17 **CONTINGENCIES AND COMMITMENTS**	Nil	Nil

18 PREVIOUS YEAR'S FIGURES

Figures of the previous year have been regrouped/reclassified whenever necessary to conform the current year's presentation.

For Independent Auditors' Report, see pages 3 & 4