

**SHRI EDUCARE MALDIVES PRIVATE  
LIMITED**

**Financial Statements for the year ended  
31<sup>st</sup> March 2015.**

# EMMJAY ASSOCIATES

No: P-01/2007  
Reg. No: AF1001A

## CHARTERED ACCOUNTANTS

H.Chinaaru,  
Sousan Magu,  
Male',  
Republic of Maldives.

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## INDEPENDENT AUDITOR'S REPORT TO THE SHARE HOLDERS OF SHRI EDUCARE MALDIVES PRIVATE LIMITED.

1. We have audited the accompanying financial statements of Shri Educare Maldives Private Limited, which comprise of the financial position and the related statement of comprehensive income statement, statement of changes in equity and cash flows statement for the year ended 31 March 2015, together with all the accounting notes as set out on pages 2 to 15.

### MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENT

2. The shareholders and their management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards applicable for SME's. These responsibilities includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatements, whether due to fraud or error.

### AUDITORS RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 of 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 risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, 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 for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### OPINION

4. In our opinion, the accompanying financial statements give true and fair view of the financial position of Shri Educare Maldives Private Limited as at 31 March 2015 and of the results of its operations, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standard applicable to SME's and with the requirements of the companies Act No 10/96, of the Republic of Maldives.

05<sup>th</sup> May 2015  
Male'.



*Soumya Anselmo*  
CHARTERED ACCOUNTANTS

**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

**Statement of financial position**  
(all amounts in Maldivian Rufiyaa)

|                                     | Notes | As at<br>31 March 2015 | As at<br>31 March 2014 |
|-------------------------------------|-------|------------------------|------------------------|
| <b>ASSETS</b>                       |       |                        |                        |
| <b>Non current assets</b>           |       |                        |                        |
| Property, Plant and equipment       | 3     | 2,491,058              | 1,740,410              |
| <b>Current Assets</b>               |       |                        |                        |
| Trade and other receivables         | 4     | 681,087                | 639,520                |
| Cash and cash equivalents           | 5     | 1,395,661              | 1,436,851              |
|                                     |       | 2,076,748              | 2,076,371              |
| <b>TOTAL ASSETS</b>                 |       | <b>4,567,806</b>       | <b>3,816,781</b>       |
| <b>EQUITY AND LIABILITIES</b>       |       |                        |                        |
| Share capital                       | 6     | 13,794,805             | 13,794,805             |
| Retained earnings                   |       | (13,625,215)           | (12,991,909)           |
| Total Equity                        |       | 169,590                | 802,896                |
| <b>Current Liabilities</b>          |       |                        |                        |
| Other payables                      | 7     | 4,398,216              | 3,013,885              |
| <b>Total Equity and Liabilities</b> |       | <b>4,567,806</b>       | <b>3,816,781</b>       |

The Board of Directors are responsible for the preparation and presentation of this financial statements.

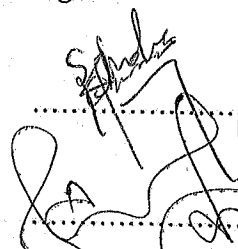
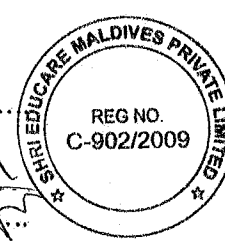
Signed for and on behalf of the Board by,

Name of the Director

1) Mr. Thoha Saleem

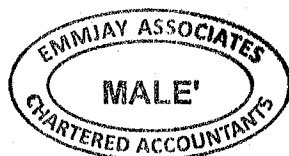
2) Mr. Himanshu Jain

Signature

The notes to the accounts from pages 6 to 15 form an integral part of the financial statements.  
Audit Report on page 1.

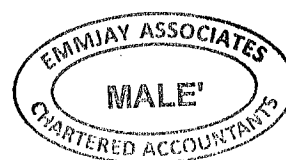
For Shri Educare Maldives Pvt. Ltd.



**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

| <b>Statement of comprehensive income</b><br>(all amounts in Maldivian Rufiyaa) | Notes | <b>As at</b><br><b>31 March 2015</b> | <b>As at</b><br><b>31 March 2014</b> |
|--|-------|--------------------------------------|--------------------------------------|
| Revenue  | 8     | 27,007,161                           | 22,914,443                           |
| Less: Cost of services   | 9     | <u>(19,564,813)</u>                  | <u>(16,497,195)</u>                  |
| <b>Trading gross profit</b>  |       | <b>7,442,348</b>                     | <b>6,417,248</b>                     |
| Other income   | 10    | 773,460                              | 833,506                              |
| Administrative expenses  |       | (8,654,442)                          | (7,313,566)                          |
| Selling and marketing costs  |       | <u>(96,502)</u>                      | <u>(68,583)</u>                      |
| <b>Operating loss</b>  |       | <b>(535,136)</b>                     | <b>(131,395)</b>                     |
| Finance cost   | 11    | (98,171)                             | (51,442)                             |
| Loss for the year before tax   |       | <b>(633,307)</b>                     | <b>(182,837)</b>                     |
| Business profit tax expense  |       | -                                    | -                                    |
| <b>Net Loss after tax</b>  |       | <u><b>(633,307)</b></u>              | <u><b>(182,837)</b></u>              |

The notes to the accounts from pages 6 to 15 form an integral part of the financial statements.  
 Audit Report on page 1.



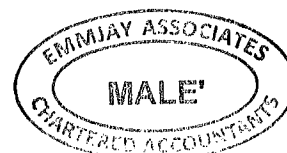
**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

**Statement of Cash flow**

(all amounts in Maldivian Rufiyaa)

|  | As at<br>31 March 2015 | As at<br>31 March 2014 |
|--|------------------------|------------------------|
| <b>Operating activities</b>                                  |                        |                        |
| Loss for the year before tax                                 | (633,307)              | (182,837)              |
| <b>Adjustments</b>   |                        |                        |
| Depreciation   | 850,655                | 313,394                |
| <b>Operating profit before working capital changes</b>       | <b>217,348</b>         | <b>130,557</b>         |
| <b>Changes in working capital</b>                            |                        |                        |
| Change in trade and other receivables                        | (41,567)               | (206,248)              |
| Change in trade and other payables                           | 1,384,331              | 1,621,246              |
| <b>Cash from operation</b>                                   | <b>1,342,764</b>       | <b>1,414,998</b>       |
| <b>Net cash from operating activities</b>                    | <b>1,560,112</b>       | <b>1,545,555</b>       |
| <b>Cash flows from investing activities</b>                  |                        |                        |
| Purchase of non current assets                               | (1,601,303)            | (511,137)              |
| <b>Net cash from investing activities</b>                    | <b>(1,601,303)</b>     | <b>(511,137)</b>       |
| <b>Net Increase /decrease in cash &amp; cash equivalents</b> | <b>(41,191)</b>        | <b>1,034,418</b>       |
| Cash and cash equivalents at the beginning of the year       | 1,436,851              | 402,433                |
| <b>Cash and cash equivalents at the end of the year</b>      | <b>1,395,660</b>       | <b>1,436,851</b>       |

The notes to the accounts from pages 6 to 15 form an integral part of the financial statements.  
 Audit Report on page 1.



**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

**Statement of Changes in Equity**  
(all amounts are stated in Maldivian Rufiyaa)

|                                    | Share Capital     | Retained earnings   | Total equity   |
|------------------------------------|-------------------|---------------------|----------------|
| Balance as at 01 April 2013        | 13,794,805        | (12,809,071)        | 985,734        |
| Loss for the year                  | -                 | (182,837)           | (182,837)      |
| <b>Balance as at 31 March 2014</b> | <b>13,794,805</b> | <b>(12,991,908)</b> | <b>802,897</b> |
| Balance as at 01 April 2014        | 13,794,805        | (12,991,908)        | 802,897        |
| Loss for the year                  | -                 | (633,307)           | (633,307)      |
| <b>Balance as at 31 March 2015</b> | <b>13,794,805</b> | <b>(13,625,215)</b> | <b>169,590</b> |

The notes to the accounts from pages 6 to 15 form an integral part of the financial statements.  
Audit Report on page 1.

# **SHRI EDUCARE MALDIVES PRIVATE LIMITED**

## **Financial Statements - For the Year ended 31 March 2015**

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### **Notes to the Financial Statements**

#### **1. General information**

These financial statements relates to the business of SHRI EDUCARE MALDIVES PRIVATE LIMITED (the Company), a limited liability company incorporated in the Republic of Maldives Reg. No. C-902/2009) in the year 2009. The main objectives of the Company are to establish, maintain, carry on an institution or institutions with branches, for the purpose of teaching in the general, scientific, commercial, engineering or any other type of education and provide consultancy and/or management services for running schools, colleges and other educational institutions. The company is wholly owned subsidiary company of Shri Educare Limited, India.

The registered office of the Company is Ghiyasuddin International School, Ameene Magu, Male', Maldives.

#### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below:

##### **2.1 Basis of preparation**

The financial statements are prepared in accordance and comply with International Financial Reporting Standards. These financial statements are prepared under the historical cost convention, except assets and liabilities, which are stated at their fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgment's about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

##### **2.2 Foreign currency translation**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are prepared in Maldivian Rufiyaa which is the Company's functional and presentation currency.

Foreign currency transactions are translated at the exchange rates prevailing at the date of the transactions; at balance sheet date monetary assets and liabilities are translated at the exchange rates then prevailing; gains and losses resulting from the settlement of such transactions are recognised in the income statement. Such balances are translated at year end exchange rates unless hedged by forward foreign exchange contracts, in which case the rate specified in such forward contracts are used.

## **SHRI EDUCARE MALDIVES PRIVATE LIMITED**

### **Financial Statements - For the Year ended 31 March 2015**

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#### **2.3 Financial instruments**

##### *Financial assets*

Financial assets include cash and bank balances and receivables. The accounting policies for each financial asset are stated separately.

##### *Financial liabilities*

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables. The accounting policies for each financial liability are stated separately.

#### **2.4 Property, plant and equipment**

All property, plant and equipment, which are initially recorded at historical cost is stated at cost less subsequent depreciation and impairment. The cost of acquisition includes purchase cost together with any incidental expenses incurred in bringing the assets to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and that the cost of the item can be measured reliably. All other expenditure on repairs or maintenance of property, plant and equipment are charged to the income statement during the period in which they are incurred.

Depreciation is calculated on the straight-line method to write-off the cost of each asset to its residual value over its estimated useful life as follows:

|                        |                 |
|------------------------|-----------------|
| Furniture and fittings | - Over 10 years |
| Office equipment       | - Over 5 years  |
| Computer & accessories | - Over 3 years  |
| Software               | - Over 3 years  |

The charge for the depreciation commences from the date on which the assets are put to use up to the date of their disposal. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

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**Notes to the Financial Statements**

**2.5 Trade and other receivables**

Trade and other receivables are initially recognised and carried at their costs less impairment losses. Provision is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the income statement. Bad debts are written off during the period in which they are identified.

**2.6 Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash in hand and at banks. For the purposes of cash flow statements, cash and cash equivalents comprise of cash and cash equivalents as defined above.

**2.7 Share capital**

Ordinary shares are classified as equity.

**2.8 Taxation**

*(a) Current taxes*

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax for the period comprises current and deferred tax, and is recognised in the income statement. The current income tax charge is calculated on the basis of the tax laws enacted at the financial position date.

The provisions for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Business Profit Tax Act.

The Company is liable to income tax at rate of 15% in Maldives, if the taxable profit of the year exceeds MVR. 500,000, with effect from 18 July 2011.

**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

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**Notes to the Financial Statements**

*(b) Deferred income taxes*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

**2.9 Taxation (continued)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**2.10 Employee benefits**

The Company is liable to enroll the employees in the Retirement Pension Scheme with effect from 1 May 2011 according to Maldives Pension Act, 8/2009 and the Regulation published by the Maldives Pension Administration Office and shall make contributions at a rate of 7% from the employee's pensionable wages on behalf of the employees of age between 16 and 65 years to the pension office. The Company's contribution to retirement pension scheme is at the rate of 7% on pensionable wages. Obligations for contributions to retirement pension scheme is recognized as an employee benefit expense in the income statement.

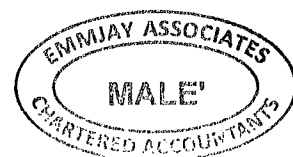
**2.11 Liabilities and Provision**

*Provision*

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

*Other payables*

Other payables are stated at their costs.



# **SHRI EDUCARE MALDIVES PRIVATE LIMITED**

## **Financial Statements - For the Year ended 31 March 2015**

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### **Notes to the Financial Statements**

#### **2.12 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. Revenue comprises the fair value of the consideration received or receivable net of trade discounts, rebates and taxes. Revenue is recognised as follows:

##### Revenue

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. Revenue comprises the fair value of the consideration received or receivable net of concessions.

##### Other income

Other income is recognized on an accrual basis in the period in which they are earned.

#### **Financial Instruments and Risk Management**

The main risks arising from the Company's financial instruments are interests are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below:

##### *a) Credit Risk*

Credit evaluations are performed on all customers requiring credit over a certain amount. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial assets.

##### *b) Currency Risk*

The Company is exposed to foreign currency risk arising from currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The Company incurs currency risk on sales, purchases and borrowings that are denominated in currencies other than Maldivian Rufiyaa.

##### *c) Liquidity Risk*

The Company actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient level of cash or cash convertible investments to meet its working capital requirement.

#### **Fair value estimation**

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

# SHRI EDUCARE MALDIVES PRIVATE LIMITED

## Financial Statements - For the Year ended 31 March 2015

Notes to the Financial Statements  
(all amounts in Maldivian Rufiyaa)

### 3. Property, plant & equipment's

#### Year ended 31 March 2014

|                           | Furniture and fittings | Office equipment | Computer equipment | Sports Court | Software      | Total            |
|---------------------------|------------------------|------------------|--------------------|--------------|---------------|------------------|
| Opening net book amount   | 571,052                | 741,938          | 219,696            | -            | 9,981         | 1,542,667        |
| Additions during the year | 195,918                | 68,531           | 234,688            | -            | 12,000        | 511,137          |
| Depreciation charged      | (81,877)               | (51,330)         | (173,737)          | -            | (6,450)       | (313,394)        |
| Closing net book amount   | <b>685,093</b>         | <b>759,139</b>   | <b>280,647</b>     | -            | <b>15,531</b> | <b>1,740,410</b> |

#### At 31 March 2014

|                          |                |                |                |   |               |                  |
|--------------------------|----------------|----------------|----------------|---|---------------|------------------|
| Cost                     | 890,632        | 903,748        | 808,972        | - | 52,974        | 2,656,326        |
| Accumulated Depreciation | (205,539)      | (144,609)      | (528,325)      | - | (37,443)      | (915,916)        |
| Net book amount          | <b>685,093</b> | <b>759,139</b> | <b>280,647</b> | - | <b>15,531</b> | <b>1,740,410</b> |

#### Year ended 31 March 2015

|                         |                |                  |                |                |              |                  |
|-------------------------|----------------|------------------|----------------|----------------|--------------|------------------|
| Opening net book amount | 685,093        | 759,139          | 280,647        | -              | 15,531       | 1,740,410        |
| Additions               | 178,367        | 701,450          | 593,127        | 128,359        | -            | 1,601,303        |
| Depreciation charged    | (123,670)      | (429,645)        | (274,759)      | (15,249)       | (7,333)      | (850,655)        |
| Closing net book amount | <b>739,790</b> | <b>1,030,944</b> | <b>599,015</b> | <b>113,110</b> | <b>8,198</b> | <b>2,491,058</b> |

#### At 31 March 2015

|                          |                |                  |                |                |              |                  |
|--------------------------|----------------|------------------|----------------|----------------|--------------|------------------|
| Cost                     | 1,068,999      | 1,605,198        | 1,402,099      | 128,359        | 52,974       | 4,257,629        |
| Accumulated Depreciation | (329,209)      | (574,254)        | (803,084)      | (15,249)       | (44,776)     | (1,766,571)      |
| Net book amount          | <b>739,790</b> | <b>1,030,944</b> | <b>599,015</b> | <b>113,110</b> | <b>8,198</b> | <b>2,491,058</b> |



**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

**Notes to the Financial Statements**

(in the notes all amounts are stated in Maldivian Rufiyaa)

**As at**                      **As at**  
**31 March 2015**      **31 March 2014**

**4. Trade & other receivables**

Trade and other receivables are short term in nature and their carrying amount approximate their fair value and there is no material credit risk in respect of trade receivables as they are actively engaged in business.

|                            |     |                       |                       |
|----------------------------|-----|-----------------------|-----------------------|
| Trade receivables          |     | 371,035               | 327,253               |
| Less: Bad debt written off |     | (165,273)             | -                     |
| Trade receivables-Net      |     | <u>205,762</u>        | <u>327,253</u>        |
| Prepayments and advances   | 4.1 | 455,556               | 312,267               |
| Other receivables          |     | <u>19,769</u>         | <u>-</u>              |
|                            |     | <u><u>681,087</u></u> | <u><u>639,520</u></u> |

**4.1. Prepayments and advances**

|                               |  |                       |                       |
|-------------------------------|--|-----------------------|-----------------------|
| Emigration Air ticket deposit |  | 117,330               | 73,330                |
| Security deposit-Apartment    |  | 16,000                | 10,000                |
| Prepaid expenses              |  | 81,350                | 79,925                |
| Advance to a contractor       |  | 240,876               | 128,359               |
| Short term loans              |  | -                     | 20,653                |
|                               |  | <u><u>455,556</u></u> | <u><u>312,267</u></u> |

**5. Cash & cash equivalents**

|               |  |                         |                         |
|---------------|--|-------------------------|-------------------------|
| Cash at banks |  | 1,280,398               | 1,376,531               |
| Cash in hand  |  | <u>115,263</u>          | <u>60,320</u>           |
|               |  | <u><u>1,395,661</u></u> | <u><u>1,436,851</u></u> |

**6. Authorized & fully issued share capital**

The total authorised number of ordinary shares are 30,000,000 shares (In 2013/2014: 30,000,000) with a par value of MRF 1 per share (In 2013/2014: MRF 1). The entire issued share capital is held by the Holding Company, SHRI EDUCARE LIMITED (India) and its nominees.

|                  | No of ordinary<br>shares | Issued share<br>capital  |
|------------------|--------------------------|--------------------------|
| At 31 March 2014 | <u>13,794,805</u>        | <u>13,794,805</u>        |
| At 31 March 2015 | <u><u>13,794,805</u></u> | <u><u>13,794,805</u></u> |

**7. Trade and other payables**

|                              |     |                         |                         |
|------------------------------|-----|-------------------------|-------------------------|
| Advance fee received         |     | 639,370                 | 354,313                 |
| Amounts due to related party |     | 974,018                 | 1,714,420               |
| Other payable                | 7.1 | <u>2,784,828</u>        | <u>945,152</u>          |
|                              |     | <u><u>4,398,216</u></u> | <u><u>3,013,885</u></u> |



**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

**Notes to the Financial Statements**

(in the notes all amounts are stated in Maldivian Rufiyaa)

|                              | As at<br>31 March 2015 | As at<br>31 March 2014 |
|------------------------------|------------------------|------------------------|
| <b>7.1. Accrued Expenses</b> |                        |                        |
| Expenses payable             | 1,022,022              | 747,574                |
| Pension payable              | 97,053                 | 92,668                 |
| Salary payable               | 1,665,753              | 104,910                |
|                              | <u>2,784,828</u>       | <u>945,152</u>         |

(Expenses payable include Audit fee payable MVR 19,340 & WHT payable 51,396).

**8. Revenue**

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| Admission fees           | 192,000           | 220,000           |
| Books fee                | 725,250           | 514,050           |
| Tuition fees             | 27,074,131        | 22,779,964        |
| Activity fees            | -                 | 21,200            |
| Less: Scholarships given | (984,220)         | (620,771)         |
|                          | <u>27,007,161</u> | <u>22,914,443</u> |

**9. Expenditures by nature**

|   |     |                   |                   |
|---|-----|-------------------|-------------------|
| Depreciation  |     | 850,655           | 313,394           |
| Cost of service   | 9.1 | 19,564,813        | 16,497,195        |
| Employee benefit expenses   | 9.2 | 948,334           | 828,069           |
| Provision for bad debts   |     | 165,273           | -                 |
| Communication charges   |     | 192,750           | 188,612           |
| Repairs & maintenance   |     | 764,324           | 971,331           |
| Utility charges   |     | 1,047,703         | 981,799           |
| Newspaper, books & periodicals  |     | 2,308             | 6,811             |
| Auditing charges  |     | 22,566            | 27,756            |
| Legal and professional charges  |     | 3,020,461         | 2,483,653         |
| Guest house rent  |     | 60,455            | -                 |
| Workshop & Training expenses  |     | 81,169            | -                 |
| Printing & stationary   |     | 247,448           | 337,088           |
| Security charges  |     | 259,700           | 184,440           |
| Office expenses   |     | 343,794           | 512,715           |
| Postage and courier   |     | 3,126             | 1,287             |
| Recruitment charges   |     | 150,750           | -                 |
| Travelling charges  |     | 400,172           | 476,611           |
| Vehicle hire charges  |     | 11,568            | -                 |
| Withholding tax   |     | 81,886            | -                 |
| Marketing & advertisement expenses  |     | 96,502            | 68,583            |
| <b>Total cost of goods sold, administrative expenses, marketing and distribution costs.</b> |     | <u>28,315,757</u> | <u>23,879,344</u> |



**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

**Notes to the Financial Statements**

(in the notes all amounts are stated in Maldivian Rufiyaa)

|                                     | <b>As at<br/>31 March 2015</b> | <b>As at<br/>31 March 2014</b> |
|-------------------------------------|--------------------------------|--------------------------------|
| <b>Classified as:</b>               |                                |                                |
| Cost of sales                       | 19,564,813                     | 16,497,195                     |
| Administration and Establishment    | 8,654,442                      | 7,313,566                      |
| Selling and marketing costs         | 96,502                         | 68,583                         |
|                                     | <u>28,315,757</u>              | <u>23,879,344</u>              |
| <b>9.1 Cost of sales</b>            |                                |                                |
| Educational and academic expenses   | 888,026                        | 673,489                        |
| Staff salaries and allowances       | 18,676,787                     | 15,823,706                     |
|                                     | <u>19,564,813</u>              | <u>16,497,195</u>              |
| <b>9.2 Employee Benefit expense</b> |                                |                                |
| Staff visa fee                      | 59,020                         | 46,968                         |
| Staff pension                       | 545,641                        | 496,575                        |
| Staff welfare                       | 35,011                         | 43,128                         |
| Bonus                               | 284,486                        | 241,398                        |
| Staff insurance                     | 14,327                         | -                              |
| Medical expenses                    | 9,849                          | -                              |
|                                     | <u>948,334</u>                 | <u>828,069</u>                 |
| <b>10. Other income</b>             |                                |                                |
| Late fine                           | 593,401                        | 451,581                        |
| Miscellaneous income                | 39,885                         | 222,553                        |
| Rent income                         | 140,174                        | 97,140                         |
| Exchange gain                       | -                              | 62,232                         |
|                                     | <u>773,460</u>                 | <u>833,506</u>                 |
| <b>11. Finance cost</b>             |                                |                                |
| Bank charges                        | 65,417                         | 51,442                         |
| Exchange loss                       | 32,754                         | -                              |
|                                     | <u>98,171</u>                  | <u>51,442</u>                  |

**SHRI EDUCARE MALDIVES PRIVATE LIMITED**  
**Financial Statements - For the Year ended 31 March 2015**

**Notes to the Financial Statements**

(in the notes all amounts are stated in Maldivian Rufiyaa)

**As at**                      **As at**  
**31 March 2015**      **31 March 2014**

**14. Business Profit Tax**

|                             |      |   |   |
|-----------------------------|------|---|---|
| Current tax                 | 14.1 | - | - |
| Business profit tax expense |      | - | - |

**14.1 Reconciliation of income tax accounts**

|                                   |             |           |
|-----------------------------------|-------------|-----------|
| Profit before tax as per accounts | (633,307)   | (182,837) |
| Add: Non deductible expenses      | 1,596,580   | 853,097   |
| Less: deductible expenses         | (1,134,781) | (982,387) |
| Taxable profit                    | (171,508)   | (312,127) |
| Less: Tax - free threshold        | (500,000)   | (500,000) |
| Profit liable to income tax       | -           | -         |
| Income tax charge                 | -           | -         |

**15. Post financial position events**

No other events have occurred since the financial position date, which would require adjustments to, or disclosure, in the financial statements.

