



EMMJAY ASSOCIATES,
CHARTERED ACCOUNTANTS, MALE'.

**SHRI EDUCARE MALDIVES PRIVATE
LIMITED**

**Financial Statements for the year ended
31st March 2018.**

SHRI EDUCARE MALDIVES PRIVATE LIMITED

Financial Statements - For the Year ended 31st March 2018

Statement of financial position		Year	
(All amounts are stated in Maldivian Rufiyaa)	Notes	2018	2017
ASSETS			
Non current assets			
Property, Plant and equipment	3	8,617,856	6,535,636
Current Assets			
Inventories		898,945	452,936
Trade and other receivables	4	1,495,581	1,209,245
Cash and cash equivalents	5	179,869	216,064
		2,574,395	1,878,245
TOTAL ASSETS		11,192,251	8,413,881
EQUITY AND LIABILITIES			
Share capital	6	13,794,805	13,794,805
Retained earnings		(10,473,785)	(13,605,097)
Total Equity		3,321,020	189,708
Current Liabilities			
Trade and other payables	7	7,871,231	8,224,173
Total Equity and Liabilities		11,192,251	8,413,881

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

Signature

1) Mr. Thoha Saleem

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2) Mr. Himanshu Jain

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The notes to the accounts from pages 7 to 15 form an integral part of the financial statements. Audit Report on pages 1 and 2.

SHRI EDUCARE MALDIVES PRIVATE LIMITED

Financial Statements - For the Year ended 31st March 2018

Statement of comprehensive income (All amounts are stated in Maldivian Rufiyaa)	Notes	Year	
		2018	2017
Revenue	8	37,780,616	35,182,363
Less: Cost of services	9	(29,608,663)	(26,305,580)
Trading gross profit		8,171,953	8,876,783
Other income	10	2,608,599	2,651,109
Administrative expenses		(7,373,735)	(11,136,742)
Selling and marketing costs		(93,645)	(51,656)
Operating profit		3,313,172	339,494
Finance cost	11	(181,860)	(346,408)
Profit/loss for the year before tax		3,131,312	(6,914)
Business profit tax expense		-	-
Net Profit/loss after tax		3,131,312	(6,914)

The notes to the accounts from pages 7 to 15 form an integral part of the financial statements.
Audit Report on pages 1 and 2.

SHRI EDUCARE MALDIVES PRIVATE LIMITED

Financial Statements - For the Year ended 31st March 2018

Statement of Cash flow (All amounts are stated in Maldivian Rufiyaa)	Year	
	2018	2017
Operating activities		
Profit/loss for the year after tax	3,131,312	(6,914)
Adjustments		
Depreciation	1,562,448	1,170,305
Operating profit before working capital changes	4,693,760	1,163,391
Changes in working capital		
Change in inventories	(446,009)	(216,499)
Change in trade and other receivables	(286,336)	(325,424)
Change in trade and other payables	(352,942)	2,319,373
Cash from operation	(1,085,287)	1,777,450
Net cash from operating activities	3,608,473	2,940,841
Cash flows from investing activities		
Purchase of non current assets	(3,644,668)	(4,174,918)
Net cash from investing activities	(3,644,668)	(4,174,918)
Net Increase /decrease in cash & cash equivalents	(36,195)	(1,234,077)
Cash and cash equivalents at the beginning of the year	216,064	1,450,142
Cash and cash equivalents at the end of the year	179,869	216,064

The notes to the accounts from pages 7 to 15 form an integral part of the financial statements.
Audit Report on pages 1 and 2.

SHRI EDUCARE MALDIVES PRIVATE LIMITED

Financial Statements - For the Year ended 31st March 2018

Statement of Changes in Equity

(All amounts are stated in Maldivian Rufiyaa)

	Share Capital	Retained earnings	Total equity
Balance as at 01 April 2016	13,794,805	(13,598,183)	196,622
Loss for the year	-	(6,914)	(6,914)
Balance as at 31 March 2017	13,794,805	(13,605,097)	189,708
Balance as at 01 st April 2017	13,794,805	(13,605,097)	189,708
Profit for the year	-	3,131,312	3,131,312
Balance as at 31st March 2018	13,794,805	(10,473,785)	3,321,020

The notes to the accounts from pages 7 to 15 form an integral part of the financial statements.
Audit Report on pages 1 and 2.

SHRI EDUCARE MALDIVES PRIVATE LIMITED
Financial Statements - For the Year ended 31st March 2018

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, Ameenee 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 financial position date monetary assets and liabilities are translated at the exchange rates then prevailing; gains and losses resulting from the settlement of such transactions are recognized 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 31st March 2018**

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 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 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 8 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 financial position 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 31st March 2018**

Notes to the Financial Statements**2.5 Trade and other receivables**

Trade and other receivables are initially recognized 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 recognized 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 financial position 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 recognized 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 31st March 2018**

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 realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized 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 financial position 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 31st March 2018

Notes to the Financial Statements**2.12 Revenue recognition**

Revenue is recognized 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 recognized as follows:

Revenue

Revenue is recognized 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 summarized below:

a) Credit Risk

Credit evaluations are performed on all customers requiring credit over a certain amount. At the financial position 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, recognized 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.

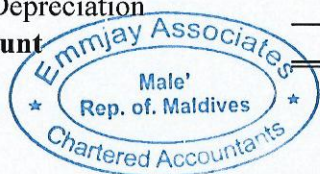
SHRI EDUCARE MALDIVES PRIVATE LIMITED
Financial Statements - For the Year ended 31st March 2018

Notes to the Financial Statements

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

3. Property, plant & equipment's

	Building	Furniture and fittings	Office equipment	Computer equipment	Sports Court	Software	Total
Year ended 31 March 2017							
Opening net book amount	-	1,232,051	1,467,195	514,999	97,861	218,915	3,531,022
Additions	517,158	2,227,579	936,372	341,366	-	152,443	4,174,918
Depreciation charged	(1,089)	(239,220)	(469,976)	(313,635)	(52,114)	(94,269)	(1,170,304)
Closing net book amount	516,069	3,220,410	1,933,591	542,730	45,747	277,089	6,535,636
At 31 March 2017							
Cost	517,158	3,955,652	3,340,529	1,963,062	128,359	435,593	10,340,353
Accumulated Depreciation	(1,089)	(735,242)	(1,406,938)	(1,420,332)	(82,612)	(158,504)	(3,804,717)
Net book amount	516,069	3,220,410	1,933,591	542,730	45,747	277,089	6,535,636
Year ended 31st March 2018							
Opening net book amount	516,069	3,220,410	1,933,591	542,730	45,747	277,089	6,535,636
Additions	1,459,698	868,200	1,233,507	91,228	-	-	3,652,633
Disposal Assets	-	6,803	717	445	-	-	7,965
Depreciation charged	(20,172)	(467,262)	(649,589)	(255,115)	(42,782)	(127,528)	(1,562,448)
Closing net book amount	1,955,595	3,614,545	2,516,792	378,398	2,965	149,561	8,617,856
At 31st March 2018							
Cost	1,976,856	4,790,852	4,559,686	2,038,186	128,359	435,593	13,929,532
Accumulated Depreciation	(21,261)	(1,176,307)	(2,042,894)	(1,659,788)	(125,394)	(286,032)	(5,311,676)
Net book amount	1,955,595	3,614,545	2,516,792	378,398	2,965	149,561	8,617,856



SHRI EDUCARE MALDIVES PRIVATE LIMITED

Financial Statements - For the Year ended 31st March 2018

Notes to the Financial Statements

(All amounts are stated in Maldivian Rufiyaa)

		Year	
		2018	2017

4. Trade and 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		396,859	300,104
Prepayments and advances	4.1	1,070,123	786,477
Other receivables		28,599	122,664
		<u>1,495,581</u>	<u>1,209,245</u>

4.1. Prepayments and advances

Emigration Air ticket deposit		176,830	148,330
Security deposit-Apartment		10,500	10,500
Prepaid expenses		99,322	91,850
Advance to a parties		301,754	297,880
Loan and advance		481,717	237,917
		<u>1,070,123</u>	<u>786,477</u>

5. Cash and cash equivalents

Cash at banks		113,919	151,563
Cash in hand		65,950	64,501
		<u>179,869</u>	<u>216,064</u>

6. Authorized and fully issued share capital

The total authorized number of ordinary shares are 30,000,000 shares (In 2014/2015: 30,000,000) with a par value of MRF 1 per share (In 2014/2015: MRF 1). The entire issued share capital is held by the Holding Company, SHRI EDUCARE LIMITED (India) and its nominees.

	No of ordinary shares
At 31 st March 2018	<u>13,794,805</u>

7. Trade and other payables

Advance fee received		573,663	747,670
Amounts due to related party		2,919,395	3,735,401
Accrued expenses	7.1	4,378,173	3,741,102
		<u>7,871,231</u>	<u>8,224,173</u>

SHRI EDUCARE MALDIVES PRIVATE LIMITED

Financial Statements - For the Year ended 31st March 2018

Notes to the Financial Statements

(All amounts are stated in Maldivian Rufiyaa)

7.1. Accrued expenses

	Year	
	2018	2017
Expenses payable	4,177,784	3,469,637
Pension payable	108,721	99,379
Salary payable	91,668	172,086
	<u>4,378,173</u>	<u>3,741,102</u>

8. Revenue

Admission fees	112,000	126,000
Books fee	1,426,412	1,321,144
Tuition fees	37,735,966	35,181,075
Less: Scholarships given	(1,493,762)	(1,445,856)
	<u>37,780,616</u>	<u>35,182,363</u>

9. Expenditures by nature

Depreciation		1,562,448	1,170,305
Cost of service	9.1	29,608,663	26,305,580
Bad debts		-	132,776
Communication charges		184,135	202,525
Repairs and maintenance		548,852	916,231
Utility charges		1,055,336	772,070
Auditing charges		39,228	12,259
Legal fees		42,467	123,826
Management Consultancy Fees		1,137,919	4,927,229
Printing and stationary		423,085	359,965
Security charges		413,824	274,752
Office expenses		506,077	593,752
Postage and courier		4,937	3,231
Recruitment charges		2,500	32,400
Uniform cost		902,448	887,845
Travelling charges		527,927	722,026
Withholding tax		-	5,550
Profit/Loss on Sale of Fixed Assets	9.2	7,965	-
Fine and penalty		14,587	-
Marketing and advertisement expenses		93,645	51,656
Total cost of goods sold, administrative expenses, marketing and distribution costs.		<u>37,076,043</u>	<u>37,493,978</u>

SHRI EDUCARE MALDIVES PRIVATE LIMITED

Financial Statements - For the Year ended 31st March 2018

Notes to the Financial Statements

(All amounts are stated in Maldivian Rufiyaa)

Classified as:

	Year	
	2018	2017
Cost of service	29,608,663	26,305,580
Administration and Establishment	7,373,735	11,136,742
Selling and marketing costs	93,645	51,656
	37,076,043	37,493,978

9.1 Cost of service

Educational and academic expenses	2,005,586	1,873,873
Staff salaries and allowances	27,603,077	24,431,707
	29,608,663	26,305,580

9.2 Profit on sale of non-current assets

Proceed from sale of fixed asset	-	-
Purchased price of fixed asset	63,454	-
Accumulated depreciation- Fixed asset	(55,489)	-
Disposed value of properties	-	-
	7,965	-

10. Other income

Late fine	756,216	809,865
Miscellaneous income	100,669	226,289
Rent income	546,225	549,121
Concert income	205,235	-
Contribution received	26,138	51,881
Interest on loan	14,716	5,874
Parent card fee	19,590	84,035
Activities Fees	9,525	-
Uniform fee	930,285	924,044
	2,608,599	2,651,109

11. Finance cost

Bank charges	51,342	56,915
Exchange loss	130,518	289,493
	181,860	346,408

12. 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.