

AMINES AND PLASTICIZERS FZE  
RAK ECONOMIC ZONE  
RAS AL KHAIMAH - U.A.E

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED MARCH 31, 2019

## AL BASHA

AUDITING & ACCOUNTING  
CHARTERED ACCOUNTANTS



CHARTERED ACCOUNTANTS  
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**AMINES AND PLASTICIZERS FZE  
RAK ECONOMIC ZONE  
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**INDEPENDENT AUDITOR'S REPORT**

To

**The Shareholder**

**AMINES AND PLASTICIZERS FZE**

**RAK ECONOMIC ZONE**

**RAS AL KHAIMAH - U.A.E**

**Report on the Audit of the Financial Statement**

**Opinion**

We have audited the financial statements of **AMINES AND PLASTICIZERS FZE** (the "Free Zone Establishment"), which comprise the statement of financial position as at 31 March 2019 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of **AMINES AND PLASTICIZERS FZE** as at 31 March 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA) Code and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

Without qualifying the report, we would like to draw the attention that the establishment has registered a deficit equity of Dhs. 46,704/- which is due to the continues accumulated losses. These condition raise doubts whether the Establishment will be able to continue as a going concern. However, these financial statement are prepared on a going concern basis and do not include any adjustment relating to recoverability and classification of recorded assets and liabilities that might be necessary should the establishment be unable to continue as going concern, as the shareholders have resolved to provide such financial support as may be required to enable the establishment to meet its debts and obligation as they fall due.

**Responsibilities of the Management and the Board of Directors for the financial statements**

The Management and the Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the IASB, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and the Board of Directors are responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so. The Management and the Board of Directors are responsible for overseeing the Establishment's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Report on the Audit of the Financial Statements (continued)**

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and the Board of Directors.
- Conclude on the appropriateness of the Management and the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw the attention in our auditor's report the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

We also confirm that, in our opinion, the financial statements include in all material respects, the applicable requirements of the Ras Al Khaimah Economic Zone (RAKEZ), under decree (2) of 2017 and the articles of association of the Establishment; proper books of account have been kept by the Company and the contents of the report of the Board of Directors relating to these financial statement are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violation of the Ras Al Khaimah Economic Zone (RAKEZ), under decree (2) of 2017 or of the article of association of the Company have occurred during the year which would have a material effect on the business of the Company or on its financial position

Notes 1 to 11 to the financial statements form an integral part of our report.

**For AL BASHA ACCOUNTING AND AUDITING**

Sharjah, 18<sup>th</sup> May, 2019.

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**AMINES AND PLASTICIZERS FZE**  
**RAK ECONOMIC ZONE**  
**RAS AL KHAIMAH - UAE**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**  
**(In AED)**

	Note	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Bank Balances	5	147,673	-
Deposits, Advances & Prepayments	6	12,303	12,303
Due from Related Party	7	-	100,000
<b>Total Current Assets</b>		<b>159,976</b>	<b>112,303</b>
<b>TOTAL ASSETS</b>		<b>159,976</b>	<b>112,303</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
<b>Current Liabilities</b>			
Due to Related Party	7	-	103,430
Provision & Accruals	8	6,680	3,000
<b>Total Current Liabilities</b>		<b>6,680</b>	<b>106,430</b>
<b>Non-Current Liabilities</b>			
Long Term Loan	9	200,000	-
<b>Total Non-Current Liabilities</b>		<b>200,000</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>206,680</b>	<b>106,430</b>
<b>Shareholder's Equity</b>			
Share Capital	2	100,000	100,000
Retained Earnings	10	(146,704)	(94,127)
<b>Total Shareholders' Equity</b>		<b>(46,704)</b>	<b>5,873</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>159,976</b>	<b>112,303</b>

The financial statements on pages 3 to 14 were approved on 15th May, 2019 and signed on its behalf by:

  
(Director)

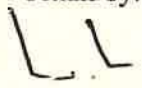


**AMINES AND PLASTICIZERS FZE  
RAK ECONOMIC ZONE  
RAS AL KHAIMAH - UAE**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2019  
(In AED)**

	Note	2019	2018
<b><u>REVENUE</u></b>			
Net Revenue		-	-
General & Administration Expenses	11	(48,904)	(47,120)
Financial Charges		(3,673)	-
		<u>(52,577)</u>	<u>(47,120)</u>
<b>Total comprehensive loss for the year</b>		<b><u>(52,577)</u></b>	<b><u>(47,120)</u></b>

The financial statements on pages 3 to 14 were approved on 15th May, 2019 and signed on its behalf by:

  
(Director)



AMINES AND PLASTICIZERS FZE  
RAK ECONOMIC ZONE  
RAS AL KHAIMAH - UAE

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE YEAR ENDED MARCH 31, 2019  
(In AED)

	Shareholder's <u>Capital</u>	Retained <u>Earnings</u>	<u>Total</u>
Balance as at March 31, 2017	100,000	(47,007)	52,993
- Net Profit/(Loss) for the year	-	(47,120)	(47,120)
Balance as at March 31, 2018	100,000	(94,127)	5,873
- Net Profit/(Loss) for the year	-	(52,577)	(52,577)
Balance as at March 31, 2019	100,000	(146,704)	(46,704)

The financial statements on pages 3 to 14 were approved on 15th May, 2019 and signed on its behalf by:



(Director)





**AMINES AND PLASTICIZERS FZE  
RAK ECONOMIC ZONE  
RAS AL KHAIMAH - UAE**

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED MARCH 31, 2019  
(In AED)**

	2019	2018
<b><u>Cash flow from Operating activities :</u></b>		
Net Profit / (Loss) for the year	(52,577)	(47,120)
Adjustments for :		
Depreciation	-	-
<b>Operating profit before changes in Operating Assets and Liabilities :</b>	<b>(52,577)</b>	<b>(47,120)</b>
(Increase) / Decrease in Deposits, Advances & Prepayments	-	(6,350)
(Increase) / Decrease in Due from Related Parties	100,000	-
(Decrease) / Increase in Provisions & Accruals	3,680	1,500
(Decrease) / Increase in Due to Related Party	(103,430)	51,970
<b>Net Cash inflow/(outflow) from Operating activities</b>	<b>(52,327)</b>	<b>-</b>
<b><u>Cash flow from Investing activities :</u></b>		
Purchase of property, plant & equipment	-	-
<b>Net Cash inflow / (outflow) from Investing activities</b>	<b>-</b>	<b>-</b>
<b><u>Cash flow from Financing activities :</u></b>		
Net Loan Availment / (Repayment) during the year	200,000	-
<b>Net Cash inflow / (outflow) from Financing activities</b>	<b>200,000</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>147,673</b>	<b>-</b>
Cash and cash equivalents at beginning of the year	-	-
<b>Cash and Cash equivalents at end of the year</b>	<b>147,673</b>	<b>-</b>
Represented by:		
Cash in Hand	-	-
Cash at Bank	147,673	-
	<b>147,673</b>	<b>-</b>

The financial statements on pages 3 to 14 were approved on 15th May, 2019 and signed on its behalf by:

(Director)



**AMINES AND PLASTICIZERS FZE  
RAK ECONOMIC ZONE  
RAS AL KHAIMAH - U.A.E**

**NOTES TO THE FINANCIAL STATEMENTS ( Continued)  
FOR THE YEAR ENDED MARCH 31, 2019**

**1. Legal status and business activity:**

- 1.1 **AMINES AND PLASTICIZERS FZE, RAK Economic Zone - Ras Al Khaimah** ("Free Zone Establishment") is incorporated on May 24, 2016 , under General Trading License issued by the Rak Economic Zone, Government of Ras Al Khaimah.

During the year the Establishment did not have any sales or revenue as confirmed by the management.

- 1.2 The main activities of the Establishment as per General Trading License are General Trading.

- 1.3 These financial statements incorporate the operating result of General Trading License No. 7001818.

- 1.4 The registered office of the Company is located at B04-207, BU04, RAKEZ Business Zone-FZ, Ras Al Khaimah, UAE.

**2 Shareholder's capital:**

Authorized, issued and paid up Share Capital of the Establishment is AED 100,000/- divided into 100 shares of AED 1,000/- each fully paid.

<u>Name</u>	<u>No. of Shares</u>	<u>Amount AED</u>
M/s. Amines & Plasticizers Limited	100	100,000/-

**AMINES AND PLASTICIZERS FZE  
RAK ECONOMIC ZONE  
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**NOTES TO THE FINANCIAL STATEMENTS ( Continued)  
FOR THE YEAR ENDED MARCH 31, 2019**

**3 Adoption of new and revised International Financial Reporting Standards (IFRSs):**

**a) New standards, interpretations and amendments effective for the current year**

The following new and revised standards and interpretations have been adopted in the current year with no material impact on the disclosures and amounts reported for the current and previous years but may affect the accounting for future transactions or arrangements:

- Conceptual framework for Financial Reporting 2018
- Amendments to IFRS 1 First-time Adoption of International Financial reporting Standards deleting short-term exemptions for first-time adopters
- Amendments to IFRS 2 share-based Payment Transaction clarifying the classification and measurement of share-based payment transactions
- Amendments to IFRS 4 Insurance Contracts applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contract
- Amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosures about the initial application of IFRS 9
- Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception
- Amendments to IAS 40 Investment properties clarifying transfers of property to, or from investment property
- Annual improvement to IFRSs 2014-2016 Cycle to remove short-term exemptions and clarifying certain fair value measurements
- IFRIC 22 Foreign Currency Transaction and Advance Consideration
- Amendments to IAS 28 Investment in Associates and Joint Ventures providing clarification on measuring investees at fair value through profit or loss is an investment-by-investment choice

**AMINES AND PLASTICIZERS FZE  
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**NOTES TO THE FINANCIAL STATEMENTS ( Continued)  
FOR THE YEAR ENDED MARCH 31, 2019**

**b) New standards, interpretations and amendments in issue but are not yet effective**

Standards, amendments and interpretations issued but not yet effective at the date of authorization of these financial statements are listed below. The Establishment intends to adopt those standards when they become effective.

International Accounting Standards (IAS/IFRSs)	Effective date
IFRS 16 Leases	1-Jan-2019
IFRS 17 Insurance Contracts	1-Jan-2021
IFRIC 23 Uncertainty over Income Tax Treatments	1-Jan-2019
IAS 19 Amendments Employee Benefits	1-Jan-2019
Annual Improvements to IFRSs 2015-2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23	1-Jan-2019
Amendments in IAS 28 Investment in Associates and Joint Ventures relating to long term interests in associates and joint ventures	1-Jan-2019

The management believes that the adoption of the above amendments are not likely to have any significant impact on the financial statements of the Establishment for future years.

**4 Summary of significant accounting policies:**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out as follows:

**a) Accounting Convention**

These financial statements have been prepared under historical cost convention basis.

**b) Accrual accounting**

Generally the accrual method of accounting followed for the recognition of revenue and expenses.

**AMINES AND PLASTICIZERS FZE  
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**NOTES TO THE FINANCIAL STATEMENTS ( Continued)  
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**c) Property, Plant and Equipments**

There are no Fixed Assets as of the balance sheet date, as confirmed by the management.

**d) Inventories**

There are no inventories as on the balance sheet date, as confirmed by the management.

**e) Employee's Terminal Benefits**

Staff Statutory Benefits are being accounted upon payments.

**f) Financial Expenses**

Financial expenses are accounted in the statement of income in the year in which they are incurred.

**g) Provisions**

Provisions are recognized when the Company has a present obligation as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

**h) Financial Instruments**

Financial instruments comprise financial assets and financial liabilities, Financial assets and financial liabilities are recognised on the Company balance sheet when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

**AMINES AND PLASTICIZERS FZE  
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**NOTES TO THE FINANCIAL STATEMENTS ( Continued)  
FOR THE YEAR ENDED MARCH 31, 2019**

**i) Foreign Currencies**

Foreign currency transactions are converted into UAE Dirhams at the rate of exchange prevailing on the date of transactions. Any resulting gain or loss by exchange rate fluctuations of foreign currency account are treated as income or expenses.

**j) Trade Receivables**

There are no trade receivables as of the balance sheet date, as confirmed by the management.

**k) Trade Payables**

There are no trade payables as of the balance sheet date, as confirmed by the management.

**l) Comparative Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

**m) Cash and Cash Equivalents**

Cash and Cash equivalents for the purpose of cash flow statement consists of cash on hand and Cash at Bank.

**n) General**

Figures in the financial Statements are rounded off to the nearest UAE Dirhams.

AMINES AND PLASTICIZERS FZE  
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**NOTES TO THE FINANCIAL STATEMENTS ( Continued)**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
**(In AED)**

	<u>2019</u>	<u>2018</u>
<b>5 <u>CASH AND BANK BALANCE</u></b>		
Cash in Hand	-	-
Cash at Bank	147,673	-
	<u>147,673</u>	<u>-</u>
<b>6 <u>DEPOSITS, ADVANCES AND PREPAYMENTS</u></b>		
Prepayments	5,953	5,953
Deposits	6,350	6,350
	<u>12,303</u>	<u>12,303</u>

**7 RELATED PARTIES TRANSACTIONS**

The Establishment enters into transactions with Companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards (IFRS). Related parties comprise Company and entities under common ownership and/ or common management and control; their partners and key management personnel.

The Establishment believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

The Establishment provides/receives funds to/from related parties as when required as working capital facilities.

At the balance sheet date, due from/to a related party was as follows:

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NOTES TO THE FINANCIAL STATEMENTS ( Continued)  
FOR THE YEAR ENDED MARCH 31, 2019  
(In AED)

	2019	2018
<b><u>DUE FROM RELATED PARTY</u></b>		
<i>Shareholder</i>		
M/s. Amines & Plasticizers Limited	-	100,000
	<u>-</u>	<u>100,000</u>
<b><u>DUE TO RELATED PARTY</u></b>		
M/s. Amines & Plasticizers Limited	-	103,430
	<u>-</u>	<u>103,430</u>
<b>8 <u>PROVISIONS AND ACCRUALS</u></b>		
Accrued expenses	6,680	3,000
	<u>6,680</u>	<u>3,000</u>
<b>9 <u>LONG TERM LOAN</u></b>		
M/s. Amines & Plasticizers Limited	200,000	-
	<u>200,000</u>	<u>-</u>

This represents the unsecured loan received from the shareholder without any fixed repayment schedule and interest rate.



AMINES AND PLASTICIZERS FZE  
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NOTES TO THE FINANCIAL STATEMENTS ( Continued)  
FOR THE YEAR ENDED MARCH 31, 2019  
(In AED)

	2019	2018
<b>10 RETAINED EARNINGS</b>		
Opening Balance b/f	(94,127)	(47,007)
Net Profit/(Loss) for the year	(52,577)	(47,120)
Closing Balance c/f	<u>(146,704)</u>	<u>(94,127)</u>
<b>11 GENERAL &amp; ADMINISTRATION EXPENSES</b>		
Lease, License & Other Government Fees	42,735	42,700
Legal & Professional Charges	6,069	2,220
Business Promotion Expenses	-	2,200
Other General & Administration Expenses	100	-
	<u>48,904</u>	<u>47,120</u>

