

**MAESTROS MIDDLE EAST (FZE)**

**P.O.BOX : 121267**

**SHARJAH AIRPORT INTERNATIONAL FREE ZONE**

**SHARJAH - UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

**AND AUDITORS' REPORT**

**MAESTROS MIDDLE EAST (FZE)**

P.O.BOX 121267

**SHARJAH AIRPORT INTERNATIONAL FREE ZONE**

**SHARJAH - UNITED ARAB EMIRATES**

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***Independent Auditor's Report to the Shareholders of  
MAESTROS MIDDLE EAST (FZE)  
P.O.BOX : 121267  
SHARJAH AIRPORT INTERNATIONAL FREE ZONE  
SHARJAH - UNITED ARAB EMIRATES***

***Report of the Auditors***

We have audited the statement of financial position of **Maestros Middle East (FZE)**, SAIF Zone-Sharjah as at March 31, 2011 and the related statements of comprehensive income, cash flows and changes in equity for the year then ended.

***Respective responsibilities***

These financial statements are the responsibility of the Company Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

***Basis of opinion***

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Maestros Middle East (FZE)**, as of March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Also, in our opinion, the company has maintained proper books of account and we obtained all the information and explanations which we considered necessary for our audit. According to the information available to us, there were no contravention during the year of Company Law which might have materially affected the financial position of the company or the results of its operation as shown for the year.

**For Tameem Chartered Accountants**

**Sharjah**  
16 May 2011

**MAESTROS MIDDLE EAST (FZE)**

P.O BOX : 121267

SHARJAH AIRPORT INTERNATIONAL FREE ZONE

SHARJAH - UNITED ARAB EMIRATES

**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> MARCH 2011**

<u>ASSETS</u>	<u>Notes</u>	<u>31-Mar-11</u>	<u>31-Mar-10</u>
		AED	AED
<u>CURRENT ASSETS</u>			
Cash in hand and at banks	3	13,634	4,512
Accounts receivable	4	1,714,077	725,364
Advances, deposits & prepayments	5	191,115	125,388
Inventory		-	50,085
<b>Total Current Assets</b>		<b>1,918,827</b>	<b>905,349</b>
<u>NON CURRENT ASSETS</u>			
Property, plant & equipments	6	4,441	26,862
<b>TOTAL ASSETS</b>		<b>1,923,267</b>	<b>932,211</b>
<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable	7	57,575	70,786
Due to related party	8	146,189	77,027
Accruals and other payables	9	172,662	178,007
<b>Total Current Liabilities</b>		<b>376,426</b>	<b>325,820</b>
<u>CAPITAL AND SHAREHOLDER'S EQUITY</u>			
Capital account	10	650,000	650,000
Shareholder's current account	11	248,862	229,700
Retained earnings		647,979	(273,310)
<b>TOTAL CAPITAL &amp; SHAREHOLDER'S EQUITY</b>		<b>1,546,841</b>	<b>606,390</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDER'S EQUITY</b>		<b>1,923,267</b>	<b>932,210</b>

*(Notes on pages 6 to 12 form an integral part of these financial statements)*

We approve these Financial Statements and confirm that we are responsible for them, including selecting the accounting policies and making the judgment underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation.

*For Maestros Middle East (FZE)*

*Director*

**MAESTROS MIDDLE EAST (FZE)**

P.O BOX : 121267

SHARJAH AIRPORT INTERNATIONAL FREE ZONE

SHARJAH - UNITED ARAB EMIRATES

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR**  
**ENDED 31<sup>ST</sup> MARCH 2011**

	<u>Notes</u>	<u>31-Mar-11</u> <u>AED</u>	<u>31-Mar-10</u> <u>AED</u>
Sales	13	1,748,352	1,473,583
Cost of sales	14	(246,227)	(297,929)
<b>Gross profit</b>		<b>1,502,126</b>	<b>1,175,654</b>
<b><u>Less : General &amp; administrative expenses</u></b> <b><u>and other charges</u></b>			
General expenses	15	554,952	849,626
Depreciation of fixed assets	6	22,802	23,880
Finance charges	16	3,082	4,244
<b>Total expenses</b>		<b>580,836</b>	<b>877,750</b>
<b>Net profit for the year</b>		<b>921,289</b>	<b>297,904</b>

*(Notes on pages 6 to 12 form an integral part of these financial statements)*

*For Maestros Middle East (FZE)*

*Director*

**MAESTROS MIDDLE EAST (FZE)**

P.O BOX : 121267

SHARJAH AIRPORT INTERNATIONAL FREE ZONE

SHARJAH - UNITED ARAB EMIRATES

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

	<u>Capital</u>	<u>Current</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
As on 31/3/2009	650,000	229,700	(571,214)	308,486
Profit for the year	-	-	297,904	297,904
<b>At 31/3/2010</b>	<b>650,000</b>	<b>229,700</b>	<b>(273,310)</b>	<b>606,390</b>
During the year	-	19,162	-	19,162
Profit for the year	-	-	921,289	921,289
<b>At 31/3/2011</b>	<b>650,000</b>	<b>248,862</b>	<b>647,979</b>	<b>1,546,841</b>

*(Notes on pages 6 to 12 form an integral part of these financial statements)*

*For Maestros Middle East (FZE)*

*Director*

**MAESTROS MIDDLE EAST (FZE)**

P.O BOX : 121267

SHARJAH AIRPORT INTERNATIONAL FREE ZONE

SHARJAH - UNITED ARAB EMIRATES

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
<b><u>Cash Flow from Operating Activities</u></b>		
Operating profit/(loss) for the year	921,289	297,904
Adjustments for,		
Depreciation of fixed assets	22,802	23,880
<b><i>Operating Income Before Working Capital Changes</i></b>	<b>944,092</b>	<b>321,784</b>
<i>(Increase) / Decrease in operating assets</i>		
Accounts receivable	(988,713)	(383,569)
Inventory	50,085	5,565
Prepayments and other receivables	(65,727)	(67,856)
<i>Increase / (Decrease) in operating liabilities</i>		
Accounts payable	(13,211)	51,111
Accruals & other payables	(5,345)	26,817
Due to related party	69,162	15,025
<b>Net Cash Flow from Operating Activities</b>	<b>(9,658)</b>	<b>(31,123)</b>
<b><u>Cash Flow from Investing Activities</u></b>		
Purchase of fixed assets	(381)	(2,330)
<b>Net Cash Outflow from Investing Activities</b>	<b>(381)</b>	<b>(2,330)</b>
<b><u>Cash Flow from Financing Activities</u></b>		
Shareholder's current account	19,162	-
<b>Net Cash Inflow from Financing Activities</b>	<b>19,162</b>	<b>-</b>
<b>Net increase (Decrease) in cash and cash equivalents</b>	<b>9,123</b>	<b>(33,453)</b>
Add opening cash and bank balances	4,512	37,965
<b>Closing Cash and Bank Balances</b>	<b>13,635</b>	<b>4,512</b>

*(Notes on pages 6 to 12 form an integral part of these financial statements)*

*For Maestros Middle East (FZE)*

*Director*

## **MAESTROS MIDDLE EAST (FZE)**

P.O BOX : 121267

SHARJAH AIRPORT INTERNATIONAL FREE ZONE

SHARJAH - UNITED ARAB EMIRATES

### **NOTES TO THE FINANCIAL STATEMENTS AT 31<sup>ST</sup> MARCH 2011**

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#### **1- COMPANY'S NATURE, OPERATIONS AND OWNERSHIP**

*a) MAESTROS MIDDLE EAST (FZE)* Sharjah,U.A.E.,is registered with License No.02-01-05234 dated 19<sup>th</sup> August 2007 at the Sharjah Airport International Free Zone, as per the Emiri Decree No. (2) of 1995. Maestros Mediline Systems Limited (India) is the sole share holder of the company.The company has also taken an additional license No. 01-01-07595 dated 24<sup>th</sup> November 2009 for carrying out General Trading.

*b)* The Company is located in SAIF Zone P. O. Box 121267- Sharjah, U. A. E.

*c)* The main activities of the Company is providing IT Consultancy Services and General Trading.

*d)* The Capital of the Company is Dhs. 650,000 (Dhs. Six hundred and fifty thousand only ), with limited liability, one share, the value of the share being Dirhams 650,000 (Dhs.Six hundred and fifty thousand only).

<b>Name of Shareholders</b>	<b>No. of Share</b>	<b>Value of Share</b>	<b>Total Value (AED)</b>
Maestros Mediline Systems Limited	1	650,000	650,000
<b>Total</b>			<b>650,000</b>

#### **2- SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies, which comply with the Accounting Standards have been applied consistently in dealing with items that are considered material in relation to the Company's Financial Statements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board and the requirements of the U.A.E Federal Law No. 8 of 1984 (as amended). The following accounting policies have been applied consistently in dealing with items that are considered material in relation to these financial statements.

##### ***1) Accounting convention***

- \* Accounts have been prepared under the historical cost convention.
- \* The accounting policies have been consistently applied by the company and are consistent.
- \* Profit & Loss Account is shown for the year from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011.
- \* The Financial Statements have been presented in AED.
- \* The figures in the financial statements are rounded off to the nearest AED.



**2) Cash and Cash equivalents**

Cash and cash equivalents are defined as cash and bank balances that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in values. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances.

**3) Accounts receivable**

Accounts receivable are stated net of provisions for amounts estimated to be non-collectibles. An estimate for doubtful accounts is made when collection of the full amount is no longer collectable. Bad debts are written off as incurred.

**4) Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether or not it billed to the company by the supplier.

**5) Revenue**

Revenue is recognised based on the percentage of completion method or when the goods are sold, based on the invoices raised after completion of the work or delivery of goods. Forseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

**6) Impairment**

The carrying amounts of the Company's assets are reviewed at each balance sheet date whenever there is any indication of impairment. If any such indication exists, the asset recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement.

**7) Property, plant & equipment and depreciation**

Property, plant & equipment are stated at cost less accumulated depreciation and impairment, if any. Depreciation on property, plant & equipment is provided on a straight line basis at rates calculated to write off the cost of each asset by equal annual installments over its expected useful life. The rates of depreciation are based upon the following estimated useful lives: -

Furniture & fixtures	4 Years
Computer & office equipment	3 Years

**8) Employees' end of services benefits**

Employees end of service benefits are accrued in accordance with U.A.E. Labour Law.

3- **CASH IN HAND AND AT BANKS**

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Cash in hand	1,833	592
Cash at bank	11,801	3,920
	<u><b>13,634</b></u>	<u><b>4,512</b></u>

No independent confirmation from the Banks have been received, however the disclosed balances have been verified from the statement issued by the Banks.

4- **ACCOUNTS RECEIVABLE**

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Accounts receivable	<u><b>1,714,077</b></u>	<u><b>725,364</b></u>

**AGED RECEIVABLES**

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
0 to 60 days	685,631	249,984
60 and above	1,028,446	475,380
	<u><b>1,714,077</b></u>	<u><b>725,364</b></u>

Although the debtors' balances are not confirmed, the management considers the receivables to be good and realizable.

Accounts receivable are stated net of any required provision and are short term in nature, fair value approximates carrying value.

The company's terms of sale require the amounts to be paid within 90 days of date of invoice.

5- **ADVANCES, DEPOSITS & PREPAYMENTS**

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Advance to staff	6,450	16,280
Refundable deposits	18,335	18,485
Prepayments	34,375	36,688
Other receivables	131,955	53,935
	<u><b>191,115</b></u>	<u><b>125,388</b></u>

6- PROPERTY, PLANT & EQUIPMENT

	<u>Fur. &amp; fixtures</u>	<u>Computer &amp; equipments</u>	<u>Total</u>
	AED	AED	AED
<u>Cost</u>			
As on 31/3/2010	31,700	47,530	79,230
For the year	-	381	381
<b>As on 31/3/2011</b>	<b>31,700</b>	<b>47,911</b>	<b>79,611</b>
<u>Depreciation</u>			
As on 31/03/2010	19,715	32,653	52,368
For the year	7,925	14,877	22,802
<b>As on 31/3/2011</b>	<b>27,640</b>	<b>47,530</b>	<b>75,170</b>
<u>Net Book Value</u>			
<b>As on 31/3/2011</b>	<b>4,060</b>	<b>381</b>	<b>4,441</b>

7- ACCOUNTS PAYABLE

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Accounts payable	<b>57,575</b>	<b>70,786</b>

8- DUE TO RELATED PARTY

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Maestros Mediline Systems Limited	<b>146,189</b>	<b>77,027</b>

9- ACCRUALS AND OTHER PAYABLES

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Staff benefits payable	51,376	46,793
Salary payable	55,066	107,758
Telephone expense payable	1,250	2,823
Professional fee payable	17,000	15,000
Conveyance expense payable	-	5,633
PDC payables	34,260	-
Other payables	13,710	-
	<b>172,662</b>	<b>178,007</b>

**10- SHAREHOLDERS' CAPITAL ACCOUNT**

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Maestros Mediline Systems Limited	<u>650,000</u>	<u>650,000</u>

**11- SHAREHOLDERS' CURRENT ACCOUNT**

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Maestros Mediline Systems Limited	<u>248,862</u>	<u>229,700</u>

**12- FINANCIAL INSTRUMENTS**

*a)* Financial assets of the company include cash and bank balances, trade debtors, deposits and advances.

*b)* Financial liabilities include trade creditors, provisions, accruals and advances.

*c)* The fair values of the company's financial assets and liabilities are approximate to their carrying values.

*d)* In the opinion of the Management, all the assets as shown in the Financial Statements are existing and realizable at the amount shown against them, and there are no liabilities contingent or otherwise not included in the above Financial Statements.

*e) Cash and cash equivalents*

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

*f) Interest risk management*

The unit does not invest in securities that are subject to interest rate risk .

*g) Credit risk*

For all classes of financial instruments held by the unit the maximum credit risk exposure to the unit is the carrying value as disclosed in the financial statements at the balance sheet

*h) Fair values*

The fair values of the unit's financial assets and liabilities are not materially different from their carrying values in the balance sheet date .

**13- SALES**

	<u>31-Mar-11</u>	<u>31-Mar-10</u>
	AED	AED
Revenue	<u>1,748,352</u>	<u>1,473,583</u>

**14- COST OF SALES**

	<b><u>31-Mar-11</u></b>	<b><u>31-Mar-10</u></b>
	<u>AED</u>	<u>AED</u>
Opening stock	50,085	55,650
Purchases	40,721	15,025
Less: closing stock	-	(50,085)
Project expenses	144,642	248,990
Direct expenses	10,779	28,350
	<b><u>246,227</u></b>	<b><u>297,929</u></b>

**15- GENERAL & ADMINISTRATIVE EXPENSES**

	<b><u>31-Mar-11</u></b>	<b><u>31-Mar-10</u></b>
	<u>AED</u>	<u>AED</u>
Rent expenses	109,260	66,750
Staff salaries & allowances	288,911	559,741
Communication expenses	17,547	23,650
Professional & legal fees	38,180	38,146
Visa expenses	14,610	7,195
Business development expenses	23,332	27,073
Travelling and conveyance charges	37,911	74,295
Office expenses	8,756	8,530
Printing & stationery	1,178	1,336
Insurance	1,375	1,438
Postage & courier charges	2,265	6,238
Employees benefits	11,629	35,235
	<b><u>554,952</u></b>	<b><u>849,626</u></b>

**16- FINANCE CHARGES**

	<b><u>31-Mar-11</u></b>	<b><u>31-Mar-10</u></b>
	<u>AED</u>	<u>AED</u>
Bank charges	<b><u>3,082</u></b>	<b><u>4,244</u></b>

***17- CONTINGENT LIABILITIES***

Except for the ongoing business obligations which are in the normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on concern's account as on the balance sheet date.

***18- GOING CONCERN***

The Financial Statements are prepared on a going concern basis which assumed that the company will continue to operate as a going concern for the foreseeable future.

***19- GENERAL***

The figures in the financial statements are rounded off to the nearest UAE Dirhams.

Previous year figures have been reclassified or regrouped wherever necessary to match the presentation of the financial statements.

***For Maestros Middle East (FZE)***

***Director***