VERIGOLD JEWELLERY DMCC

Financial Statements

31 March 2015

Registered office:

Unit No. 2O-10-21
Jewellery & Gemplex 2
Plot No. DMCC-PH2-J&GPlexS
Jewellery & Gemplex
Dubai, U.A.E.

VERIGOLD JEWELLERY DMCC

Financial Statements
31 March 2015

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VERIGOLD JEWELLERY DMCC
Manager's Report

The manager submits his report and financial statements for the first period ended 31 March 2015.

Results

Loss for the period amounted to US $ 22,498/-.

Review of the business

The company is registered to carry out the activity of trading in crystal products, jewellery, pearls and precious stones, imitation jewellery, watches, clocks and spare parts. The company has not commenced any commercial activities during the period.

Events since the end of the period

There were no important events, which have occurred since the period end that materially affects the company.

Shareholder and its interest

The sole shareholder, as at 31 March 2015, and its interest, as of that date in the share capital of the company was as follows:

Name of shareholder	*Country of Incorporation*	*No. of shares*	*AED*	*Equivalent US $*
Renaissance Jewellery Limited *(Represented by Mr. Pratik Praful Shah)*	India	300	300,000	81,800

Auditors

A resolution to re-appoint **KSI Shah & Associates** as auditors and fix their remuneration will be put to the board at the annual general meeting.

Mr. Pratik Praful Shah
Manager

DUBAI - U.A.E.
VERIGOLD JEWELLERY DMCC

KSI SHAH & ASSOCIATES
Chartered Accountants

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محاسبـون قـانونيون

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Independent Auditors' Report to the Shareholder of VERIGOLD JEWELLERY DMCC

Report on the Financial Statements
We have audited the accompanying financial statements of **VERIGOLD JEWELLERY DMCC,** which comprise of the statement of financial position as of 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with general accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, read with note 1(c), the financial statements present fairly, in all material respects, the financial position of **VERIGOLD JEWELLERY DMCC** as of 31 March 2015 and its financial performance and its cash flows for the period then ended in accordance with generally accepted accounting principles.

KSI Shah & Associates

کی اس اي شاه و مشارکوه
P.O. Box 71241
Dubai - U.A.E.
KSI SHAH & ASSOCIATES

For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)

12 May 2015

VERIGOLD JEWELLERY DMCC

Statement of Financial Position
At 31 March 2015

	Notes	*2015* *US $*
ASSETS		
Current assets		
Other receivables		1,978
Cash and cash equivalents	5	79,379
		81,357
TOTAL ASSETS		**81,357**
EQUITY AND LIABILITIES		
Equity		
Share capital	6	81,800
Accumulated losses		(22,498)
Equity funds		**59,302**
Current liability		
Other payables	7	**22,055**
TOTAL EQUITY AND LIABILITIES		**81,357**

The accompanying notes 1 to 10 form an integral part of these financial statements.
The Independent Auditors' Report is set forth on page 2.
Approved by the shareholder on 12th May 2015 and signed on its behalf by.

For VERIGOLD JEWELLERY DMCC

Mr. Pratik Praful Shah
Manager

VERIGOLD JEWELLERY DMCC

Statement of Comprehensive Income
for the period ended 31 March 2015

	Notes	14 Dec. 2014 to 31 Mar. 2015 (4 months) US $
Expenses	8	(22,498)
Loss for the period		**(22,498)**
Other comprehensive income		-
Total comprehensive income for the period		**(22,498)**

The accompanying notes 1 to 10 form an integral part of these financial statements.

VERIGOLD JEWELLERY DMCC

Statement of Changes in Equity
for the period ended 31 March 2015

	Share capital *US $*	*Accumulated losses* *US $*	*Total* *US $*
Share capital introduced	**81,800**	**-**	**81,800**
Loss for the period	-	(22,498)	(22,498)
As at 31 March 2015	**81,800**	**(22,498)**	**59,302**

The accompanying notes 1 to 10 form an integral part of these financial statements.

VERIGOLD JEWELLERY DMCC

Statement of Cash Flows
for the period ended 31 March 2015

	Note	14 Dec. 2014 to 31 Mar. 2015 (4 months) US $
Cash flows from operating activities		
Operating loss before working capital		**(22,498)**
Other receivables		(1,978)
Other payables		22,055
Net cash (used in) operating activities		**(2,421)**
Cash flows from financing activities		
Share capital introduced during the period		81,800
Net cash from financing activities		**81,800**
Cash and cash equivalents at the end of the period	5	**79,379**

The accompanying notes 1 to 10 form an integral part of these financial statements.

VERIGOLD JEWELLERY DMCC
(Incorporated in the Dubai Multi Commodities Centre)
(Registration No. DMCC 20531)

Notes to the Financial Statements
for the period ended 31 March 2015

1. Legal status and business activity

a) **VERIGOLD JEWELLERY DMCC** is a limited liability company registered in the Dubai Multi Commodities Centre under trade license no. DMCC-086073. The license was issued on 14 December 2014 and therefore these financial statements are prepared for a period 108 days (4 months).

b) The company is registered to carry out the activity of trading in crystal products, jewellery, pearls and precious stones, imitation jewellery, watches, clocks and spare parts. The company has not started commercial activities during the period.

c) These financial statements are not the statutory financial statements of the company and are prepared for the management information purposes only.

2. Basis of preparation

a) **Statement of compliance**

The financial statements are prepared in accordance with generally accepted accounting principles and the implementing rules and regulations of Dubai Multi Commodities Centre.

b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

c) **Functional and presentation currency**

The functional currency of the company is U.A.E. Dirhams. These financial statements are presented in United States Dollars (USD), which in the opinion of the management is the most appropriate presentation currency in view of the global presence of the company. U.A.E. Dirham is currently pegged to USD and there are no differences on translation from functional to presentation currency.

3. Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to the statement of comprehensive income or, if previously a provision was made, it is written off against the provision.

Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Doubtful debt provision

Management regularly undertakes a review of the amounts of loans and receivables owed to the company either from third parties or from related parties and assess the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

4. Significant accounting policies

a) Depreciation of fixed assets

Minor purchases of fixed assets are depreciated fully in the year of purchase.

b) Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

Non derivative financial assets

Initial Recognition and Measurement

Financial assets are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financials assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent Measurement

The subsequent measurement of non - derivative financial assets depends on their classification as follows:

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables.

During the year, the company has non - derivative financial assets in the form of loans and receivables only.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in statement of comprehensive income when the loans and receivables are derecognized or impaired, and through the amortization process.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

c) Other receivables

Trade receivables are carried at the original invoice amount to the customers. An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts. Bad debts are written off when identified.

d) Foreign currency transactions

Transactions in foreign currencies are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the reporting date. Resulting gain or loss is taken to the statement of comprehensive income.

e) Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the company.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows.

For financial assets carried at amortized cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

If a write-off is later recovered, the recovery is credited in the statement of comprehensive income.

f) Other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

g) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

VERIGOLD JEWELLERY DMCC

Notes to the Financial Statements
for the period ended 31 March 2015

h) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

i) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the statement of comprehensive income on a straight line basis over the period of lease.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

j) Revenue recognition

Sales of goods

Sales represents net amount invoiced for goods delivered during the period. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

k) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

5. Cash and cash equivalents

	2015 US $
Bank balance in:	
Current accounts	79,379

VERIGOLD JEWELLERY DMCC

Notes to the Financial Statements
for the period ended 31 March 2015

	2015 US $
6. Share capital	
Authorized, issued and subscribed capital 300 shares of AED 1,000 each *(Converted @ AED 3.667/ US $)*	**81,800**
7. Other payables	
Payable for company formation expenses	20,420
Accrual	1,635
	22,055

	14 Dec. 2014 to 31 Mar. 2015 (4 months) US $
8. Expenses	
Rent	8,392
Other administration expenses	14,106
	22,498

9. Contingent liability

There was no contingent liability of a significant amount outstanding as at the reporting date.

10. Comparative figures

This being the first period of the company's operations, there are no comparative figures.