

CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019

CALLISTUS BLINDS MIDDLE EAST FZC

SAIF ZONE, SHARJAH - UAE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

Ref: 199/2020

To
The Shareholders'
CALLISTUS BLINDS MIDDLE EAST FZC
Saif Zone, Sharjah - UAE.

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statements of **CALLISTUS BLINDS MIDDLE EAST FZC** (the "Free Zone Company with Limited Liability"), which comprise the balance sheet as at December 31, 2019 and the statements of income, statements of changes in Shareholders' equity statements of cash flows for the period 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 **CALLISTUS BLINDS MIDDLE EAST FZC** as at December 31, 2019 and of its financial performance and its cash flows for the period 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 Company 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.

Other Matter

We didn't conduct any tax audit separately but relied on the management confirmation with respect to output and input tax declared in the VAT return submitted by the entity to the Federal Tax Authority. Our scrutiny and verification limited in few sample checking to ensure a peripheral assessment.

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 Company'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 Company 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 Company'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 Company'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 Company'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 Company 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 provisions of Emiri Decree No.2 of 1995 Company of Sharjah Airport Free Zone in Sharjah and rules and regulations stated in the said Emiri Decree or enacted from time to time by the Government of Sharjah and the articles of association of the Company; 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 provisions of Emiri Decree No.2 of 1995 Company of Sharjah Airport Free Zone in Sharjah and rules and regulations stated in the said Emiri Decree or enacted from time to time by the Government of Sharjah and the articles of association of the Company have occurred during the period which would have a material effect on the business of the Company or on its financial position.

Notes 1 to 13 to the financial statements form an integral part of the report.

For Al Basha Accounting and Auditing
Chartered Accountants

Dr. Mohammad Houssein Al Jeroudy
Managing Director

Reg. No. 216
Sharjah, 24th September, 2020.



CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

BALANCE SHEET AS AT DECEMBER 31, 2019

| <u>ASSETS</u> | note | 2019 Dhs. |
|---|------|-------------------------|
| <u>Non-Current Assets</u> | | |
| Property, Plant and Equipments | | |
| Total Non-Current Assets | | <u>2,302,211</u> |
| <u>Current Assets</u> | | <u>2,302,211</u> |
| Cash and Cash Equivalents | 4 | |
| Accounts Receivables | 5 | 42,169 |
| Deposits, Advances & Prepayments | 6 | 874,429 |
| Inventory | | 763,053 |
| Total Current Assets | | <u>3,057,236</u> |
| | | <u>4,736,887</u> |
| TOTAL ASSETS | | |
| | | <u>7,039,098</u> |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | |
| <u>Current Liabilities</u> | | |
| Accounts Payables | 7 | |
| Accruals & Provisions | 8 | 2,806,015 |
| Total Current Liabilities | | <u>69,694</u> |
| | | <u>2,875,709</u> |
| TOTAL LIABILITIES | | |
| | | <u>2,875,709</u> |
| <u>Shareholders' Equity</u> | | |
| Share Capital | 2 | |
| Retained Earnings | 9 | 5,550,000 |
| Shareholders' Current Account | 10 | (764,512) |
| Total Shareholders' Equity | | <u>(622,099)</u> |
| | | <u>4,163,389</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| | | <u>7,039,098</u> |

The financial statements on pages 13 were approved on 17th September, 2020 and signed on its behalf by:



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CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

STATEMENT OF INCOME
FOR THE PERIOD FROM SEPTEMBER 23, 2018 TO DECEMBER 31, 2019

| | note | 23.09.2018 to 31.12.2019 Dhs. |
|---|------|--|
| <u>REVENUE</u> | | |
| Net Revenue | 11 | 2,508,539 |
| Less: Cost of Revenue | 12 | (2,702,988) |
| Gross Profit | | (194,449) |
| Other Income | | 1,276 |
| | | <u>(193,173)</u> |
| <u>DEDUCT</u> | | |
| General & Administration Expenses | 13 | (540,378) |
| Financial Charges | | (4,426) |
| Loss on Sale of Fixed Assets | | (26,535) |
| | | <u>(571,339)</u> |
| Net Profit / (Loss) for the period c/f | | <u>(764,512)</u> |

The financial statements on pages 3 to 13 were approved on 17th September, 2020 and signed on its behalf by:

(Managing Director)



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CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2019

| | <u>Capital</u> | <u>Retained</u> | <u>Shareholders'</u> | <u>Total</u> |
|--|------------------|------------------|----------------------|------------------|
| | <u>Dhs.</u> | <u>Earnings</u> | <u>Current A/c</u> | <u>Dhs.</u> |
| Changes in Shareholders' Equity | | | | |
| Capital Introduced | 5,550,000 | - | - | 5,550,000 |
| Net Profit / (Loss) for the period | - | (764,512) | - | (764,512) |
| Net movements during the period | - | - | (622,099) | (622,099) |
| Balance as at December 31, 2019 | 5,550,000 | (764,512) | (622,099) | 4,163,389 |

The financial statements on pages 3 to 13 were approved on 17th September, 2020 and signed on its behalf by:

(Managing Director)

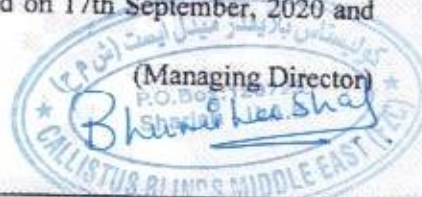
CALLISTUS BLINDS MIDDLE EAST FZC



CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED DECEMBER 31, 2019

| | |
|--|---------------------------|
| | 23.09.2018 |
| | to |
| | 31.12.2019 |
| | <u>Dhs.</u> |
| <u>Cash flows from operating activities :</u> | |
| Net Profit / (Loss) for the period | (764,512) |
| Adjustments for : | |
| Depreciation | - |
| | (764,512) |
| <u>Changes in operating Assets and Liabilities :</u> | |
| (Increase)/Decrease in Accounts Receivables | (874,429) |
| (Increase)/Decrease in Deposits, Advances & Prepayments | (763,053) |
| (Increase)/Decrease in Inventory | (3,057,236) |
| (Decrease)/Increase in Accounts Payables | 2,806,015 |
| (Decrease)/Increase in Accruals and Provisions | 69,694 |
| <u>Net Cash inflow/(outflow) from operating activities</u> | <u>(2,583,521)</u> |
| <u>Cash flows from Investing activities :</u> | |
| Acquisition of Fixed Assets | (2,302,211) |
| <u>Net Cash inflow /(outflow) from Investing activities</u> | <u>(2,302,211)</u> |
| <u>Cash flows from financing activities :</u> | |
| Capital Introduced | 5,550,000 |
| Net movement in Shareholders' Current Account | (622,099) |
| <u>Net Cash inflow /(outflow) from financing activities</u> | <u>4,927,901</u> |
| <u>Net Increase/(Decrease) in cash and cash equivalents</u> | <u>42,169</u> |
| Cash and Cash equivalents at beginning of the period | - |
| <u>Cash and Cash equivalents at end of the period (net)</u> | <u>42,169</u> |
| <u>Represented by:</u> | |
| Cash in hand | 7,965 |
| Cash at Banks | 34,204 |
| | <u>42,169</u> |

The financial statements on pages 3 to 13 were approved on 17th September, 2020 and signed on its behalf by:



CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2019

1 Legal Status and business activity:

- 1.1 **CALLISTUS BLINDS MIDDLE EAST FZC**, Saif Zone - Sharjah ("Free Zone Company with Limited Liability") is incorporated on September 23, 2018 under Industrial License issued by the Sharjah Airport International Free Zone, Sharjah - UAE.
- 1.2 The main activities of the Company as per Industrial License are Manufacturing and Assembling of Window Blinds, Fabric and Related Accessories.
- 1.3 The registered office of the Company is located at S600 M2 Warehouse Q4-118, P.O. Box 120723, Sharjah - UAE.
- 1.4 These financial statements incorporate the operating result of Industrial License No. 19951.

2 Share Capital:

During the period as per the board of resolution on 09.10.2019 the authorized, issued and paid up Capital of the Company has been increased from AED 150,000/- to AED 5,550,000/- divided into 3,700 shares Dhs.1,500/- each fully paid and held by the shareholders as under as on December 31, 2019:

| <u>Name</u> | <u>Nationality</u> | <u>No. of Shares</u> | <u>AED</u> |
|------------------------------|--------------------|--------------------------|--------------------|
| a) M/s. Marvel Décor Ltd | India | 2,664 | 3,996,000/- |
| b) Mr. Mohamed Shiraz Ossman | U.K | 518 | 777,000/- |
| c) Mr. Valy Ossman | U.K | 518 | 777,000/- |
| | | <u>3,700</u> | <u>5,550,000/-</u> |

CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED DECEMBER 31, 2019

3 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 below:

a) Accounting convention

These Financial Statements have been prepared on the basis of historical cost convention.

b) Accrual accounting

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

c) Property, plant and equipments

Property, plant and equipments are stated at cost less accumulated depreciation and identified impairment loss, if any. The costs comprise of purchase price, levies, duties and any directly attributable costs of bringing the assets to its working condition. No depreciation has been charged in the current period, as the company has started its first year of operation as confirmed by the management.

d) Revenue Recognition

Revenue is recognized when significant risk and rewards associated with the services are transferred to the customers.

e) Staff Statutory Benefits

Staff Statutory Benefits are being accounted upon payments.

CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED DECEMBER 31, 2019

f) Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognized on the Company's 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 favorable 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 unfavorable.

g) Foreign Currency Fluctuation

Foreign Currency Transactions are converted into UAE Dirhams at the rate of exchange prevailing on the date of the transactions. Foreign Currency balances have been converted at the rate of exchange at the Balance Sheet date. Any resulting gain or loss by exchange rate fluctuations on foreign currency account are treated as income or expenses of the period.

h) Statutory Reserve

During the year, no provision has been made for statutory reserve because the company has incurred losses.

i) Trade Receivables

Sales made on credit are included in trade receivables at the balance sheet date, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

j) Trade Payables

Trade payables are stated at their nominal value.

CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED DECEMBER 31, 2019

k) Cash and cash Equivalents

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

l) Comparative Figures

This is being the first period of audit, comparative figures are not mentioned.

m) General

Figures in the Financial Statements are rounded off to the nearest Dirham of UAE.

Direct confirmation of Bank Balances is not received by us, hence Bank Balances and Credit facilities could not be verified by us independently.

CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED DECEMBER 31, 2019

| | 2019 Dhs. |
|--|------------------|
| 4 <u>CASH AND CASH EQUIVALENTS</u> | |
| Cash in hand | 7,965 |
| Cash at Banks | 34,204 |
| | <u>42,169</u> |
| 5 <u>ACCOUNTS RECEIVABLE</u> | |
| Trade Debtors | 874,429 |
| | <u>874,429</u> |
| 6 <u>DEPOSITS, ADVANCES AND PREPAYMENTS</u> | |
| Deposits, Prepayments & Other Receivables | 166,265 |
| Loans, Advances & Other Receivables | 596,788 |
| | <u>763,053</u> |
| 7 <u>ACCOUNTS PAYABLE</u> | |
| Trade Payables | 2,806,015 |
| | <u>2,806,015</u> |

CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED DECEMBER 31, 2019

8 ACCRUALS AND PROVISIONS

2019

Dhs.

Accrued Expenses & Other Payable

69,694

69,694

9 RETAINED EARNINGS

Net Profit / (Loss) for the period

(764,512)

Closing Balance c/f

(764,512)

10 SHAREHOLDERS' CURRENT ACCOUNT

Net movement during the period

(622,099)

Closing Balance c/f

(622,099)

22.02.2019

to

31.12.2019

Dhs.

11 NET SALES

Sales

2,508,539

2,508,539

CALLISTUS BLINDS MIDDLE EAST FZC
SAIF ZONE, SHARJAH - UAE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED DECEMBER 31, 2019

23.09.2018

to

31.12.2019

Dhs.

12 COST OF GOODS SOLD

| | |
|---------------------|------------------|
| Purchases | 5,150,900 |
| Direct Expenses | 609,324 |
| Less: Closing stock | (3,057,236) |
| | <u>2,702,988</u> |

13 GENERAL & ADMINISTRATION EXPENSES

| | |
|--|----------------|
| Salaries and Benefits | 190,147 |
| Rent, Visa, License & Other Govt. Fees | 89,448 |
| Printing and Stationery | 6,751 |
| Communication and Utilities | 28,779 |
| Commission & Business Promotion Expenses | 62,019 |
| Hotel and Accommodation Expenses | 11,727 |
| Insurance | 1,995 |
| Travelling and Conveyance | 95,688 |
| Repairs and Maintenance | 15,798 |
| Other General & Administration Expenses | 38,026 |
| | <u>540,378</u> |

