

G&B Contracting L.L.C
Dubai

Financial Statements
31 March 2018



G & B Contracting LLC

Building and Civil Engineering Contractors

(Formerly known as Gammon & Billimoria LLC)

Gold & Diamond Park, Unit 2211, Building No.2, 2nd Floor, Sheikh Zayed Road, P. O. Box : 37871, Dubai, U. A. E.
Tel. : +971 4 3411558, Fax : +971 4 3417276, email: gm@gb-llc.com, Website : www.gb-llc.com

Manager's Report

The Manager has pleasure in submitting the report and accounts of G&B Contracting L.L.C, Dubai ("the Company") for the year ended 31 March 2018.

LEGAL STATUS

The Company is a limited liability company incorporated in the Emirate of Dubai under Federal Law No. (8) of 1984 and its subsequent amendments.

Federal Law No. (2) of 2015 issued on 1 April 2015 ("the Companies Law"), which is effective from 1 July 2015, has superseded the Federal Law No. (8) of 1984 and its subsequent amendments. According to Article 374 of the Companies Law, the Company had a period of twelve months from 1 July 2015 to regularise its affairs in accordance with the Companies Law. Subsequently, the said deadline was extended to 30 June 2017. However, based on a Ministerial Resolution No. (694) of 2016 ("the Resolution") issued on 19 December 2016, the existing memorandum and articles of association of the Company shall remain in force and any statement, provision or clause included in the memorandum or articles of association which is in derogation to the Companies Law is deemed to have been amended and replaced with the provisions of the Companies Law from the effective date of Resolution.

The principal activity of the Company is building and civil engineering construction contracting. The management and operational control of the Company is with one of the shareholders, Gammon & Billimoria Limited, India.

The principal place of business of the Company is located at Building No. 2 Gold and Diamond Park, Dubai.

OPERATING RESULTS

During the year under review, the Company achieved a turnover of AED 39,663,285 and a profit of AED 613,583 against a turnover of AED 40,260,704 and a loss of AED 1,933,390 during the previous year.

SHAREHOLDING

The shareholding pattern at the end of the year under review was as follows:

<u>Name of shareholders</u>	<u>Shareholding %</u>
Mr. Darwish Abdulrazzaq Mohammed Abulhassan Bastaki	51%
M/s Gammon & Billimoria Ltd., India	49%
	100%

AUDITORS

Messrs Moore Stephens, the auditors of the Company, have indicated their willingness to continue in office.

Manager

19 December 2018



INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF G&B CONTRACTING L.L.C, DUBAI

P.O. Box 28817
Suite M 5A, Zalfa Building, Garhoud
Dubai, United Arab Emirates

T +971 (0)4 2820811/2820783

F +971 (0)4 2820812

www.moorestephens-me.com

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of G&B Contracting L.L.C, Dubai ("the Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in shareholders' funds and statement of cash flows for the year then ended, and notes to the financial statements, including the significant accounting policies set out in pages 4 to 20.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

Included in accounts and other receivables is an amount of AED 2.7 million (2017: AED 2.7 million), which is due to the Company as a sub-contractor for a project. Since the Company has back to back terms with its customer i.e. the main contractor, the recoverability of the amount is dependent on the successful outcome of the customer's dispute with the main client, a matter which could potentially be referred to arbitration.

In view of the foregoing, we were unable to satisfy ourselves as to the extent of the recoverability of the receivables of AED 2.7 million (2017: AED 2.7 million) and are of the view that a substantial portion thereof could be impaired.

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

Material Uncertainty Related to Going Concern

We draw attention to note 3.3 to the financial statements which explains why the financial statements are prepared on a going concern basis.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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.

Continued...

INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF G&B CONTRACTING L.L.C, DUBAI (CONTINUED)

Auditor's Responsibilities for 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 management.
- Conclude on the appropriateness of management's 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 attention in our auditor's report to 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 fair presentation.

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

Report on the Regulatory Requirements

In our opinion, the financial statements include, in all material respects, the applicable requirements of the UAE Commercial Companies Law of 2015 and the Articles of Association of the Company. We have obtained all information and explanations which are necessary for the purpose of the audit and to the best of our knowledge and belief no violation of the UAE Commercial Companies Law of 2015 and the Articles of Association of the Company came to our attention which would materially affect the Company's financial position.

In our opinion, the Company has maintained proper books of account and the accompanying financial statements are in agreement therewith. The Company has also conducted stocktaking in accordance with established principles and the financial information contained in the Manager's report conforms to the financial statements.



Moore Stephens

Farad K. Lakdawala
Registration No. 341

Dubai
19 December 2018

G&B CONTRACTING L.L.C, DUBAI
Financial statements for the year end 31 March 2018

Statement of comprehensive income

(stated in AED)

	Note	2018	2017
Income			
Revenue from construction contracts	3.4 a)	39,663,285	40,260,704
Cost of construction contracts		(34,381,004)	(35,856,547)
Gross profit		5,282,281	4,404,157
Other income	4	685,561	451,981
		5,967,842	4,856,138
Expenses			
General and administration	5	4,291,007	3,882,441
Finance charges	6	11,775	55,681
Loss on foreign currency translation	21	--	1,235,049
Depreciation	7	1,051,477	1,616,357
		5,354,259	6,789,528
Profit/(loss) and total comprehensive income/(loss) for the year		613,583	(1,933,390)

The attached notes 1 to 26 form part of these financial statements.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

Statement of financial position

(stated in AED)

	Note	2018	2017
Assets			
Non-current assets			
Property, plant and equipment	7	4,161,330	4,069,076
Retentions receivable – non-current portion	8	17,553,186	16,681,126
Total non-current assets		21,714,516	20,750,202
Current assets			
Inventories	9	1,051,308	1,072,509
Gross amount due from customers for contract work	10	687,986	7,579,668
Accounts and other receivables	11	21,368,265	8,306,395
Bank and cash balances	12	5,484,174	8,950,732
Total current assets		28,591,733	25,909,304
Total assets		50,306,249	46,659,506
Shareholders' funds and liabilities			
Shareholders' funds			
Share capital	13	1,000,000	1,000,000
Additional paid in capital	14	1,000,000	--
Legal reserve	15	435,330	373,972
Revaluation reserve	16	2,631,318	3,649,546
Accumulated losses		(43,990,062)	(45,560,515)
Total deficiency of assets		(38,923,414)	(40,536,997)
Shareholder's loan	17	58,833,385	59,059,402
Total shareholders' funds		19,909,971	18,522,405
Liabilities			
Non-current liabilities			
Employees' terminal benefits	18	1,814,095	1,430,566
Retention money payable – non-current portion	19	5,807,945	9,224,357
Total non-current liabilities		7,622,040	10,654,923
Current liabilities			
Gross amounts due to customers for contract work	10	3,688,375	--
Accounts and other payables	20	19,085,863	17,482,178
Total current liabilities		22,774,238	17,482,178
Total liabilities		30,396,278	28,137,101
Total shareholders' funds and liabilities		50,306,249	46,659,506

The attached notes 1 to 26 form part of these financial statements.

Manager
19 December 2018



G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

Statement of changes in shareholders' funds

(stated in AED)

2018	Share capital	Additional paid in capital	Legal reserve	Revaluation reserve	Accumulated losses	Total shareholders' equity	Shareholder's loan	Total
Balance at 1 April 2017	1,000,000	--	373,972	3,649,546	(45,560,515)	(40,536,997)	59,059,402	18,522,405
Additional paid in capital introduced	--	1,000,000	--	--	--	1,000,000	--	1,000,000
Total comprehensive income for the year	--	--	--	--	613,583	613,583	--	613,583
Release during the year	--	--	--	(1,018,228)	1,018,228	--	--	--
Transfer to legal reserve	--	--	61,358	--	(61,358)	--	--	--
Movements during the year	--	--	--	--	--	--	(226,017)	(226,017)
Balance at 31 March 2018	1,000,000	1,000,000	435,330	2,631,318	(43,990,062)	(38,923,414)	58,833,385	19,909,971

2017	Share capital	Additional paid in capital	Legal reserve	Revaluation reserve	Accumulated losses	Total shareholders' equity	Shareholder's loan	Total
Balance at 1 April 2016	1,000,000	--	373,972	4,728,662	(44,706,241)	(38,603,607)	58,282,531	19,678,924
Total comprehensive loss for the year	--	--	--	--	(1,933,390)	(1,933,390)	--	(1,933,390)
Release during the year	--	--	--	(1,079,116)	1,079,116	--	--	--
Movements during the year	--	--	--	--	--	--	776,871	776,871
Balance at 31 March 2017	1,000,000	--	373,972	3,649,546	(45,560,515)	(40,536,997)	59,059,402	18,522,405

The attached notes 1 to 26 form part of these financial statements.

G&B CONTRACTING L.L.C, DUBAI
Financial statements for the year end 31 March 2018

Statement of cash flows

(stated in AED)

	Note	2018	2017
Cash flows from operating activities			
Profit / (loss) for the year		613,583	(1,933,390)
Adjustments for:			
Depreciation	7	1,125,109	1,845,801
Gain on disposal of property, plant and equipment	4	--	(140,620)
Provision for employees' terminal benefits	18	503,130	199,507
Foreign exchange (gain)/loss on translation of shareholder's loan	21	(134,692)	1,235,049
Cash flows from operations before working capital changes		2,107,130	1,206,347
Decrease in inventories		21,201	191,663
(Increase)/decrease in accounts and other receivables		(13,933,930)	9,149,812
Decrease/(increase) in gross amount due from customers for contract work		6,891,682	(3,143,292)
Increase / (decrease) in gross amount due to customers for contract work		3,688,375	(1,177,402)
(Decrease) in accounts and other payables		(1,812,727)	(11,722,289)
Employees' terminal benefits paid during the year	18	(119,601)	(96,428)
Net cash (used in) operating activities		(3,157,870)	(5,591,589)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,217,363)	(87,160)
Proceeds from disposal of property, plant and equipment		--	140,620
Net cash (used in)/from investing activities		(1,217,363)	53,460
Cash flows from financing activities			
Additional paid in capital during the year		1,000,000	--
Net movement in shareholder's loan		(91,325)	(458,178)
Net movement in bank overdraft		--	(1,673,081)
Decrease in margin money deposits under lien		700,630	4,876
Decrease in fixed deposits under lien		6,869,788	7,998,937
Net cash from financing activities		8,479,093	5,872,554
Increase in cash and cash equivalents during the year		4,103,860	334,425
Cash and cash equivalents at the beginning of the year		583,175	248,750
Cash and cash equivalents at the end of the year	12	4,687,035	583,175

The attached notes 1 to 26 form part of these financial statements.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

Notes to the financial statements

(stated in AED)

1. Legal status and principal activities

G&B Contracting L.L.C, Dubai ("the Company") is a limited liability company incorporated in the Emirate of Dubai under Federal Law No. (8) of 1984 and its subsequent amendments.

Federal Law No. (2) of 2015 issued on 1 April 2015 ("the Companies Law"), which is effective from 1 July 2015, has superseded the Federal Law No. (8) of 1984 and its subsequent amendments. According to Article 374 of the Companies Law, the Company had a period of twelve months from 1 July 2015 to regularise its affairs in accordance with the Companies Law. Subsequently, the said deadline was extended to 30 June 2017. However, based on a Ministerial Resolution No. (694) of 2016 ("the Resolution") issued on 19 December 2016, the existing memorandum and articles of association of the Company shall remain in force and any statement, provision or clause included in the memorandum or articles of association which is in derogation to the Companies Law is deemed to have been amended and replaced with the provisions of the Companies Law from the effective date of Resolution.

The principal activity of the Company is building and civil engineering construction contracting. The management and operational control of the Company is with one of the shareholders, Gammon & Billimoria Limited, India.

The principal place of business of the Company is located at Building No. 2 Gold and Diamond Park, Dubai.

2. Adoption of new and revised International Financial Reporting Standards

2.1 Amended standard adopted by the Company

The Company has adopted the applicable amended IFRS as of 1 April 2017:

- Amendments to IAS 7, 'Statement of Cash Flows' issued in January 2016 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The management believes the adoption of the above amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements.

2.2 Standards that are not yet effective and have not been adopted early by the Company

The following standards that are applicable to the Company have been published and are mandatory for accounting periods of the Company beginning after 1 April 2017, but which have not been adopted early by the Company:

- a. IFRS 9, 'Financial Instruments' has an effective date for accounting periods beginning on or after 1 January. IFRS 9 outlines the recognition, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting. Financial assets are to be measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income, with an irrevocable option on initial recognition to recognise some equity financial assets at fair value through other comprehensive income. The impairment model in IFRS 9 moves to one that is based on expected credit losses rather than the IAS 39 incurred loss model. The derecognition principles of IAS 39, 'Financial Instrument: Recognition and Measurement' have been transferred to IFRS 9. The hedge accounting requirements have been liberalised from that allowed previously. The requirements are based on whether an economic hedge is in existence, with less restriction to prove whether a relationship will be effective than current requirements.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

2. Adoption of new and revised International Financial Reporting Standards (Continued)

2.2 Standards that are not yet effective and have not been adopted early by the Company (Continued)

b. IFRS 15, 'Revenue from Contracts with Customers' issued in May 2014 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will apply to annual periods beginning on or after 1 January 2018.

c. IFRS 16, 'Leases' is effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting is substantially unchanged from accounting under IAS 17. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective transition approach. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies IFRS 15.

The management believes the adoption of the above standards is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

3. Basis of preparation and significant accounting policies and estimates

3.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements have been prepared in Arab Emirates Dirham (AED).

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. The principal accounting policies that have been applied consistently by the Company to all periods presented in these financial statements are set out below.

3.3 Going concern assumption

These financial statements are prepared on a going concern basis which assumes that the Company will continue to operate as a going concern for the foreseeable future. During the year ended 31 March 2018, the Company earned a profit of AED 613,583 (2017: loss of AED 1,933,390) but as at that date, the Company had accumulated losses amounting to AED 43,990,062 (2017: AED 45,560,515) which exceeded the share capital. Also, as at the reporting date, the Company had deficiency of assets in the amount of AED 38,923,414 (2017: AED 40,536,997). To support the continuance of the Company's operations, the shareholders have confirmed their willingness to continue the operations and provide enough funds to meet the liabilities as they fall due.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.4 Significant accounting policies

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment, excluding discounts.

Revenue from construction contracts is recognised by reference to the stage of completion of the contract at period end, measured by reference to the percentage of the costs incurred to the total estimated costs for each contract. No profit is taken until a contract has progressed to the point where the ultimate realisable profit can be reasonably determined. Provision is made in full for the amount of anticipated losses on uncompleted contracts in the period such losses are first projected. Income from claims is recognised in the period claims are resolved.

b) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss. Certain property, plant and equipment are stated at their revalued amounts, being the fair value on the basis of their existing use at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognised 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 the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Any revaluation increase arising on the revaluation of such property, plant and equipment is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the statement of comprehensive income to the extent of the decrease previously charged.

Depreciation on revalued assets is charged to income over their remaining estimated useful lives. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation is charged on assets so as to write off the cost on revaluation of assets, over their estimated useful lives, less estimated residual value, using the straight-line method on the following bases:

Furniture and fixtures	1 to 10 years
Office equipment	3 to 7 years
Plant and machinery	3 to 10 years
Construction equipment	3 years
Motor vehicles	3 to 7 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.4 Significant accounting policies (Continued)

c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) Financial instruments – recognition, derecognition and offsetting

A financial asset or a financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument. All “regular way” purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

- (i) the rights to receive cash flows from the asset have expired;
- (ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or
- (iii) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis.

e) Impairment of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.4 Significant accounting policies (Continued)

e) Impairment of financial assets (Continued)

If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

- (i) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
- (ii) For assets carried at cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- (iii) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

Reversal of impairment losses recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised. Reversal of impairment losses are recognised in the statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

f) Accounts receivable

Accounts receivable are stated at their amortised cost less any allowances for doubtful receivables. All individually significant receivables are individually assessed for impairment. If the Company determines that no objective evidence of impairment exists for an individually assessed receivable, whether significant or not, it includes the receivable in a group of receivables with similar credit risk characteristics and collectively assesses them for impairment. An allowance for doubtful receivables is established when there is objective evidence that the Company will not be able to collect the amounts due. Indicators that the accounts receivable are impaired include consistent default in payments when due in accordance with the terms of the arrangements with the customers, financial difficulties of the customer and other indicators. When an accounts receivable is considered uncollectible, it is written off against the allowance account for credit losses. The carrying value of accounts receivable approximately reflects their fair value due to the short-term nature of those receivables.

g) Inventories

Inventories which comprise consumables and project materials are stated at lower of cost or net realisable value, after making due allowance for any obsolete or slow moving items. Cost is determined on weighted average cost basis and consists of aggregate of purchase price and other related expenses incurred to bring the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

h) Gross amount due from/(to) customers for contract work

Gross amount due from customers for uncompleted contracts represents costs plus attributable profit to the extent that it is reasonably certain, less provision for any losses incurred or foreseen in bringing contracts to completion, and less amounts received or receivable as progress billings. For contracts where progress billings received and receivable exceed the costs plus attributable profit of work executed, the excess is included under liabilities as gross amount due to customers.

Costs comprise direct materials, direct labour and an appropriate allocation of overheads and a proportion of administrative expenses.

i) Employees' terminal benefits

Provision is made for employees' terminal benefits on the basis prescribed under the UAE Labour Law based on employees' salaries and number of years of service. The terminal benefits are paid to employees on termination or completion of their term of employment. Accordingly, the Company has no expectation of settling its employees' terminal benefits obligation in the near future.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.4 Significant accounting policies (Continued)

j) Accounts and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company.

k) Foreign currencies

Functional and presentation currency

The financial statements are presented in Arab Emirates Dirham (AED), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in currencies other than AED are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising in these cases are dealt with in the statement of comprehensive income.

l) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted bank and cash balances, excluding margin money and fixed deposits under lien.

m) Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

n) Fair value measurements

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. When measuring fair value of an asset or 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.

The fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

3. Basis of preparation and significant accounting policies and estimates (Continued)

3.5 Significant accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

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

Impairment of trade accounts receivable and due from related parties

An estimate of the collectible amount of trade accounts receivable and due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognised in the statement of comprehensive income.

Impairment of property, plant and equipment

A decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors that are considered important which could trigger an impairment review include the following:

- significant changes in the technology and regulatory environments
- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected

Impairment of inventories

Inventories are held at the lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Estimated cost on uncompleted contracts

Revenue from construction contracts is measured by reference to the ratio of costs incurred to the estimated total costs for each contract applied to the estimated contract revenue, and reduced by the proportion of revenue previously recognised. This requires the Company to use judgement in the estimation of the total cost expected to complete each contract.

Profit on uncompleted contracts

Profit on uncompleted contracts is only recognised when the contract reaches a point where the ultimate profit can be estimated with reasonable certainty. This requires the Company's management to determine the level at which reasonable estimates can be reached.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

4. Other income

	2018	2017
Income from sale of scrap materials	367,500	--
Reversal of liabilities no longer considered as payable	136,046	160,281
Gain on foreign currency translation (Note 21)	134,692	--
Interest on fixed deposits	35,983	92,618
Gain on disposal of property, plant and equipment	--	140,620
Miscellaneous income	11,340	58,462
	<u>685,561</u>	<u>451,981</u>

5. General and administration expenses

	2018	2017
Salaries and employee related costs	1,947,683	1,783,839
Rent and license fees	605,777	459,808
Legal and professional fees	330,126	234,525
Travelling and conveyance	125,046	134,930
Communication	67,003	75,598
Printing and stationery	12,726	16,290
Others	1,202,646	1,177,451
	<u>4,291,007</u>	<u>3,882,441</u>

6. Finance charges

	2018	2017
Bank charges	11,775	55,681
	<u>11,775</u>	<u>55,681</u>

7. Property, plant and equipment

	Furniture and fixtures	Office equipment	Plant and machinery	Construction equipment	Motor vehicles	Total
2018						
<i>Cost or valuation</i>						
At 1 April 2017	1,384,730	721,120	10,540,512	2,223,146	835,431	15,704,939
Additions during the year	305,600	324,432	534,998	52,333	--	1,217,363
Write-off during the year	--	--	--	(17,358)	--	(17,358)
At 31 March 2018	<u>1,690,330</u>	<u>1,045,552</u>	<u>11,075,510</u>	<u>2,258,121</u>	<u>835,431</u>	<u>16,904,944</u>
<i>Accumulated depreciation</i>						
At 1 April 2017	1,242,199	496,599	7,312,817	2,223,146	361,102	11,635,863
Charge for the year	72,505	89,765	869,347	7,201	86,291	1,125,109
Relating to write-off	--	--	--	(17,358)	--	(17,358)
At 31 March 2018	<u>1,314,704</u>	<u>586,364</u>	<u>8,182,164</u>	<u>2,212,989</u>	<u>447,393</u>	<u>12,743,614</u>
<i>Net book value</i>						
At 31 March 2018	<u>375,626</u>	<u>459,188</u>	<u>2,893,346</u>	<u>45,132</u>	<u>388,038</u>	<u>4,161,330</u>
2017						
<i>Cost or valuation</i>						
At 1 April 2016	1,383,080	756,585	10,522,252	2,727,723	835,431	16,225,071
Additions during the year	1,650	--	85,510	--	--	87,160
Disposals during the year	--	(35,465)	(67,250)	(504,577)	--	(607,292)
At 31 March 2017	<u>1,384,730</u>	<u>721,120</u>	<u>10,540,512</u>	<u>2,223,146</u>	<u>835,431</u>	<u>15,704,939</u>
<i>Accumulated depreciation</i>						
At 1 April 2016	1,161,361	452,553	6,483,294	2,025,335	274,811	10,397,354
Charge for the year	80,838	79,511	896,773	702,388	86,291	1,845,801
Relating to disposals	--	(35,465)	(67,250)	(504,577)	--	(607,292)
At 31 March 2017	<u>1,242,199</u>	<u>496,599</u>	<u>7,312,817</u>	<u>2,223,146</u>	<u>361,102</u>	<u>11,635,863</u>
<i>Net book value</i>						
At 31 March 2017	<u>142,531</u>	<u>224,521</u>	<u>3,227,695</u>	<u>--</u>	<u>474,329</u>	<u>4,069,076</u>

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

7. Property, plant and equipment (Continued)

On 31 January 2016, property, plant and equipment, except construction equipment, were revalued by an independent valuer, not connected with the Company, using depreciated replacement cost method under cost approach of evaluation (Note 16). The carrying values of the property, plant and equipment were adjusted to their revalued amounts by restatement of the accumulated depreciation.

The fair value hierarchy as at 31 March 2018 of the Company's property, plant and equipment is Level 3.

The depreciation charge for the year has been allocated as follows:

	2018	2017
Cost of construction contracts	73,632	229,444
Expenses	1,051,477	1,616,357
	<u>1,125,109</u>	<u>1,845,801</u>

8. Retentions receivable

Retentions receivable comprise amount due from customers which are held for one year after the completion of a project until the defects liability period has passed.

	2018	2017
Total	20,291,886	19,419,826
Amounts receivable within 12 months (Note 11)	(2,738,700)	(2,738,700)
Amounts receivable after 12 months	<u>17,553,186</u>	<u>16,681,126</u>

9. Inventories

Inventories represent stores, consumables and other material maintained at the contract sites.

10. Gross amount due from/to customers for contract work

	2018	2017
Contract costs to date plus attributable profit less foreseeable losses	196,895,552	157,232,267
Less: Progress billings	(199,895,941)	(149,652,599)
	<u>(3,000,389)</u>	<u>7,579,668</u>
Included in the statement of financial position as under:		
Gross amount due from customers for contract work	687,986	7,579,668
Gross amount due to customers for contract work	(3,688,375)	--
	<u>(3,000,389)</u>	<u>7,579,668</u>

11. Accounts and other receivables

	2018	2017
Trade accounts receivable	12,889,069	420,310
Retentions receivable (Note 8)	2,738,700	2,738,700
Deposits and advances	1,292,435	1,531,413
Due from related parties	2,915,747	2,548,237
Prepaid expenses	1,104,625	880,186
Other receivables	427,689	187,549
	<u>21,368,265</u>	<u>8,306,395</u>

- a) At the reporting date, trade accounts receivable amounting to AED 36,330 (2017: AED 336,330) were past due but assessed by the management to be unimpaired. The ageing analysis of the above receivables is as follows:

	2018	2017
Debts due between 6 months to 1 year	36,330	336,330
	<u>36,330</u>	<u>336,330</u>

- b) At the reporting date, past due retentions receivable amounted to AED 2,738,700 (2017: AED 2,738,700).

- c) Unimpaired receivables and amounts due from related parties are considered collectible based on historic experience. It is not the practice of the Company to obtain collateral over receivables.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

12. Cash and cash equivalents

	2018	2017
Cash on hand	65,332	41,984
Bank current accounts	4,621,703	541,191
Fixed deposits with banks	--	6,869,788
Margin money deposits	797,139	1,497,769
Bank and cash balances	5,484,174	8,950,732
Less: Fixed deposits and margin money deposits under lien	(797,139)	(8,367,557)
Cash and cash equivalents in the statement of cash flows	4,687,035	583,175

Fixed deposits earn interest at the rate of 0.09% per annum (2017: 0.09% per annum).

Fixed deposits with banks and margin money deposits are under lien for the Company's overdraft facility (Note 23 a) and bank guarantees issued on behalf of the Company (Note 23 a).

13. Share capital

	2018	2017
Authorised, issued and fully paid (1,000 shares of AED 1,000 each)	1,000,000	1,000,000
	1,000,000	1,000,000

14. Additional paid in capital

Additional paid in capital represents contributions made by the shareholders in excess of the Company's authorised share capital with an agreement that the Company has no contractual obligation to repay this amount. Subsequently on 5 September 2018, the Company has converted this amount to share capital.

15. Legal reserve

As required by the Federal Law No. (2) of 2015 relating to commercial companies, 10% of the profit for the year is to be transferred to a legal reserve. The reserve is not available for distribution, except in circumstances stipulated by the said law.

16. Revaluation reserve

The revaluation reserve has arisen as a result of revaluation of certain property, plant and equipment. The revaluation reserve is released to retained earnings as the related asset is depreciated or when the related asset is sold (Note 7).

17. Shareholder's loan

The shareholder's loan is from one of the shareholders, M/s Gammon & Billimoria Ltd., India.

The loan which is denominated in Indian Rupees is converted to UAE Dirham resulting in an exchange gain of AED 134,692 (31 March 2017: exchange loss of AED 1,235,049) as follows:

	2018	2017
Account balance at reporting date in Indian Rupees	1,042,221,165	1,043,821,165
Exchange rate at reporting date (1 INR to AED)	0.05645	0.05658
Account balance at reporting date in AED	58,833,385	59,059,402
Carrying value of loan in AED	58,968,077	57,824,353
	2018	2017
Gain/(loss) on foreign currency translation (Notes 4 and 21) in AED	134,692	(1,235,049)

The shareholder's loan balance is non-interest bearing, with no defined repayment arrangements and is payable only at the option of the Company.

The fair value of the loan cannot be determined as there are no defined repayment terms.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

18. Employees' terminal benefits

The provision for end of service benefits for employees is made in accordance with the requirements of the labour laws of the UAE. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on length of service and final remuneration and are payable on termination or completion of term of employment. The cost of providing these benefits is charged as an expense on an annual basis.

Movements in the provision recognised in the statement of financial position are as follows:

	2018	2017
Balance at the beginning of the year	1,430,566	1,327,487
Provided during the year	503,130	199,507
Paid during the year	(119,601)	(96,428)
Balance at the end of the year	1,814,095	1,430,566

19. Retention money payable

Retention money payable comprise amount due to contractors which are held for one year after the completion of a project until the defects liability period has passed.

	2018	2017
Total	7,267,933	9,271,358
Amounts payable within 12 months (Note 20)	(1,459,988)	(47,001)
Amounts payable after 12 months	5,807,945	9,224,357

20. Accounts and other payables

	2018	2017
Trade accounts payable	11,157,345	2,186,192
Retention money payable (Note 19)	1,459,988	47,001
Advances received from customers	3,348,108	12,304,791
Accrued expenses and other payables	1,843,777	2,123,528
Payable to employees	1,276,645	820,666
	19,085,863	17,482,178

21. Related party transactions

Related parties represent shareholders and key management personnel of the Company and the entities controlled or significantly influenced by such parties. Prices and terms of these transactions were approved by the management. The significant related party transactions during the year are as follows:

	Relationship	2018	2017
Exchange gain/(loss) on translation of shareholder's loan balance (Note 17)	Shareholder	134,692	(1,235,049)

The amounts due from related parties do not attract interest and are receivable on demand.

	2018	2017
Key management compensation		
Management remuneration	2,028,015	2,062,532
Bonus	71,625	71,625
	2,099,640	2,134,157

22. Financial risk and capital management

22.1 Financial risk factors

The Company's financial instruments consist mainly of accounts and other receivables, bank and cash balances, accounts and other payables and shareholder's loan. The management believes that the fair values of the financial assets and liabilities approximate to their carrying amounts.

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

22. Financial risk and capital management (Continued)

22.1 Financial risk factors (Continued)

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the years ended 31 March 2018 and 31 March 2017. The identified key risks are:

a) Currency risk

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements.

The table below indicates the Company's foreign currency exposure at 31 March as a result of its monetary assets and liabilities.

	2018 AED	2017 AED
Indian Rupees	58,833,385	59,059,402

The following tables demonstrate the sensitivity to a reasonably possible change in the following foreign currencies, with all other variables held constant. The impact on the Company's profit/(loss) is due to changes in the fair value of monetary assets and liabilities.

<i>Change in currency rate in 5% (+/-)</i>	<u>31 March 2018</u> Effect on profit (+/-)	<u>31 March 2017</u> Effect on loss (+/-)
Currency		
Indian Rupees	2,941,669	2,952,970

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally of fixed deposits, bank balances, trade and other receivables, and amounts due from related parties. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on trade and other receivables and amounts due from related parties is subjected to credit evaluations and an allowance is made for any estimated irrecoverable amounts.

The Company is exposed to significant concentration of credit risk. At the reporting date, 100% of the trade accounts receivable are due from 3 customers (2017: 100% from 2 customers) and 96% of due from related parties are due from a single party (2017: 96% from a single party).

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks and ensures compliance with the covenants as stipulated in facility agreements.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 March based on contractual payment dates:

2018	0 to 3 months	3 to 12 months	>1 year	Back-to- back basis	Total
Accounts and other payables	11,224,591	1,312,570	579,864	11,756,783	24,873,808
Total	11,224,591	1,312,570	579,864	11,756,783	24,873,808

G&B CONTRACTING L.L.C, DUBAI

Financial statements for the year end 31 March 2018

22. Financial risk and capital management (Continued)

22.1 Financial risk factors (Continued)

c) Liquidity risk (Continued)

2017	0 to 3 months	3 to 12 months	>1 year	Back-to- back basis	Total
Accounts and other payables	2,388,576	867,637	182,153	23,098,607	26,536,973
Total	2,388,576	867,637	182,153	23,098,607	26,536,973

22.2 Capital management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing services commensurately with the level of risk.

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholders' funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholders' funds, the Company may adjust the amount of dividends paid to shareholders, return funds to shareholders, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 31 March 2017. Capital comprises share capital, additional paid in capital, legal reserve, revaluation reserve and accumulated losses, and is measured at a deficiency of assets of AED 38,923,414 as at 31 March 2018 (2017: deficiency of assets of AED 40,536,997).

23. Contingent liabilities

a) Bank guarantees

	2018	2017
Guarantees (in the ordinary course of business)	797,139	2,363,113

Bank guarantees are secured by bank fixed deposits and margin money deposits (Note 12).

b) Matter under litigation

At the reporting date, the Company is co-defendant to a claim for damages amounting to AED 600,000 relating to a project. The management does not consider that any liability will arise for the Company because the damage arose from work carried out by a subcontractor (also a co-defendant) who, under the terms of the subcontract agreement, would be ultimately liable.

Subsequent to the reporting date on 18 July 2018, the Company received a final judgment in favor of the plaintiff wherein the Company and its co-defendant are required to pay AED 399,000 jointly. The Company intends to initiate separate proceedings to recover from the sub-contractor in the subsequent year.

24. Commitments

	2018	2017
Value of contracts remaining to be executed	394,275,336	277,994,282

25. Subsequent events

Subsequent to the reporting date, the Company has issued new shares converting its previously reported additional paid in capital to share capital.

26. Comparative figures

Certain of the prior period amounts have been reclassified to conform to the presentation in the current year.