Revenue in excess of USD 625 million

Presence in 18 Countries

31 Sales, Marketing, Design &
Sourcing Offices

PDS MULTINATIONAL FASHIONS LIMITED

SUBSIDIARY FINANCIALS
2014-2015

Contents

Multinational Textile Group Limited

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of Multinational Textile Group Limited (the "Company") for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is the holding of investments and provision of consultancy services.

Results and dividend

The results for the year are shown on page 6.

The directors do not recommend the payment of a dividend for the year under review (2014: NIL).

Statement of Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial period giving a true and fair view of the state of affairs of the Company and of the profit or loss of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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 circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

By order of the Board of Directors

Sd/-

Director

Date: 27 May, 2015

FOR THE YEAR ENDED 31 MARCH 2015

Statement from secretary under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the company under the Mauritius Companies Act 2001.

For and on behalf of KROSS BORDER CORPORATE SERVICES LIMITED

Sd/-

Company secretary

Date : 27 May, 2015

AUDITORS' REPORT TO THE SHAREHOLDER OF MULTINATIONAL TEXTILE GROUP LIMITED

Report on the Financial Statements

We have audited the financial statements of Multinational Textile Group Limited, which comprise the statement of financial position at 31 March 2015, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholder, in accordance with section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of of financial statements that are free from material misstatement, whether due to fraud or error.

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 with 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the 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 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, the financial statements on pages 6 to 35 give a true and fair view of the financial position of the Company at 31 March 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the company as far as it appears from our examination of those records.

Sd/-

Lancasters	Pasram Bissessur FCCA, MBA (UK)
Chartered Accountants	Licensed by FRC
14, Lancaster Court	
Lavoquer Street	
Port Louis	
Mauritius	
Date: 27 May 2015	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 USD	2014 USD
Revenue	6	8,775,562	6,156,774
Expenses		(6,452,011)	(5,316,326)
Profit from operating activities		2,323,551	840,448
Finance income	7	261,492	188,635
Finance costs	7	(62,171)	(69,686)
Net finance income	7	199,321	118,949
Profit before taxation		2,522,872	959,397
Taxation	8	(79,733)	(10,171)
Profit for the year		2,443,139	949,226
Other comprehensive income		–	–
Total comprehensive income for the year		2,443,139	949,226

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Notes	2015 USD	2014 USD
Assets			
Investments	9	16,027,340	15,950,535
Receivables	10	2,223,818	3,023,818
Total non-current assets		18,251,158	18,974,353
Other receivables	11	7,811,319	4,948,701
Tax receivable	8	–	2,525
Cash and cash equivalents		705,733	403,901
Total current assets		8,517,052	5,355,127
Total assets		26,768,210	24,329,480

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Notes	2015 USD	2014 USD
Equity			
Stated capital	12	21,948,270	21,948,270
Revenue Reserves/(deficit)		2,399,644	(43,495)
Total equity		24,347,914	21,904,775
Liabilities			
Current liabilities			
Loan from related party	13	1,000,000	1,000,000
Other payables	14	1,348,297	1,424,705
Tax payables	8	71,999	–
Total current liabilities		2,420,296	2,424,705
Total liabilities		2,420,296	2,424,705
Total equity and liabilities		26,768,210	24,329,480

Approved by the Board of Directors on ______________and signed on its behalf by

Sd/- Sd/-
Director Director

The notes 10 to 35 form part & these financial statement

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Stated capital USD	Revenue Reserves/ (deficit) USD	Total USD
Balance at 01 April 2013	21,948,270	(992,721)	20,955,549
Total comprehensive loss for the year			
Profit for the year	–	949,226	949,226
Balance at 31 March 2014	21,948,270	(43,495)	21,904,775
Total comprehensive income for the year			
Profit for the year	–	2,443,139	2,443,139
Balance at 31 March 2015	21,948,270	(2,399,644)	24,347,914

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	2015 USD	2014 USD
Cash flows from operating activities		
Profit before taxation	2,552,872	959,397
Adjustments for:		
Dividend receivable	(952,000)	(1,700,000)
Interest receivable	(261,492)	(188,635)
Interest on loan	60,000	56,767
Debtor's written off	23,150	25,371
Investment written off	2	253,447
	1,392,532	(593,653)
Change in other receivables	(1,680,132)	662,669
Change in other payables	(76408)	276,808
	(364,008)	345,824
Tax paid	(5,209)	–
Net cash from/(used in) operating activities	(369,217)	345,824
Cash flows from investing activities		
Divident received	850,000	1,700,000
Interest received	21,492	58,608
Acquisition of investments	(76,807)	(336,846)
Share application monies	–	(69,750)
Net cash from investing activities	794,685	1,352,012
Cash flows from financing activities		
Repayment of loan by subsidiaries	920,413	370,000
Repayment of loan by related parties	450,000	398,046
Loans advanced to related parties	(311,186)	(2,510,400)
Loan received from subsidiaries	(1,182,863)	(1,024,146)
Loan from related party	–	1,000,000
Net cash (used in)/from financing activities	(123,636)	(1,766,500)
Net movement in cash and cash equivalents	301,832	(68,664)
Cash and cash equivalents at 01 April	403,901	472,565
Cash and cash equivalents at 31 March	705,733	403,901

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. **General information**

The Company was incorporated as a private limited company on 28 March 2006 and was granted a Category 1 Global Business Licence on 29 March 2006. The principal activity of the Company is the holding of investments and provision of consultancy services.

2. **Basis of preparation**

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements.

(a) *Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in compliance with the requirements of the Mauritius Companies Act.

(b) *Basis of measurement*

The financial statements have been prepared under the historical cost basis except where stated otherwise.

(c) *Functional currency and presentation currency*

The financial statements are presented in United States Dollar (USD) which is the Company's functional and presentational currency.

(d) *Use of judgements and estimates*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's 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 estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ending 31 March 2015 is included in the relevant notes as follows:

- Recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. **Application of new and revised International Financial Reporting Standards (IFRSs)**

3.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year

During the current year, the Company has applied a number of amendments to IFRSs and new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on or after 01 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27

The amendments define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

As the Company is not an investment entity, the application of the amendments has had no impact on the amounts recognised in the financial statements.

Amendments to IAS 32

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The Company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the financial statements.

Amendments to IAS 36

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the CGU.

Furthermore, the amendments introduce additional disclosure requirements applicable when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by IFRS 13 fair value measurements.

The application of the above amendments has had no material impact on the disclosures in the financial statements.

Amendments to IAS 39

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the financial statements.

3.2 Standards issued but not yet adopted

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not effective for the year ended 31 March 2015 and which have not been adopted in these financial statements. The standards and interpretations that are applicable will be adopted in the year in which they become effective.

New or amended standards	Applicability to the company's financial statements	Effective date - annual period beginning on or after:
Defined benefit plans: employee contributions (amendments to IAS 19)	Not applicable	01 January 2015
IFRS 14 – Regulatory deferral accounts	Not applicable	01 January 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	Not applicable	01 January 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	Not applicable	01 January 2016
Agriculture: Bearer plants (amendments to IAS 16 and IAS 41)	Not applicable	01 January 2016
Equity method in separate financial statements (amendments to IAS 27)	Applicable	01 January 2016
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Applicable	01 January 2016
Disclosure initiative (amendments to IAS 1)	Applicable	01 January 2016
Investment entities: Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	Applicable	01 January 2016
IFRS 15 - Revenue from contracts with customers	Applicable	01 January 2017
IFRS 9 – Financial instruments	Applicable	01 January 2018

Equity Method in separate financial statements (amendments to IAS 27)

The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in subsidiaries, associates and joint ventures.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Disclosure initiative (amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Investment Entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)

The amendment to IFRS 10 Consolidated Financial Statements clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity's parent or ultimate parent to prepare consolidated financial statements. The amendment clarifies that this condition is also met where the ultimate parent or any intermediary parent of a parent entity measures subsidiaries at fair value through profit or loss in accordance with IFRS 10 and not only where the ultimate parent or intermediate parent consolidates its subsidiaries.

The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

The amendment to IAS 28 Investments in Associates and Joint Ventures modifies the conditions where an entity need not apply the equity method to its investments in associates or joint ventures to align these to the amended IFRS 10 conditions for not presenting consolidated financial statements. The amendments introduce relief when applying the equity method which permits a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The adoption of the above IFRS shall not have significant impact on the Company's financial statements.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

4. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income (OCI):

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(b) Revenue recognition

Revenue is recognised as follows:

- Dividend income: when the Company's right to receive payment is established.
- Interest income: as it accrues (taking into account the effective yield on the assets).
- Management fees, professional fees income, corporate service fees income and consultancy fees income: as it accrues.

(c) Finance income and costs

The Company's finance income and costs include:

- Interest income
- Foreign exchange differences
- Interest on borrowings

(d) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items directly in equity or in OCI.

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of prior years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also include any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflect the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(e) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiary is shown at cost and provision for impairment is only made where, in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

(f) Financial instruments

The Company classifies non-derivative financial assets into loans, receivables and available-for- sale financial assets.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) *Non-derivative financial assets - Measurement*

Loans and receivables - These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets - Available-for-sale investments whose fair value can be measured reliably are valued at fair value and the resulting temporary unrealised gains/losses are reported in equity. Available-for-sale investments whose fair value cannot be measured reliably are carried at cost less impairment.

(iii) *Non-derivative financial liabilities - Measurement*

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(g) *Receivables and other receivables*

Receivables and other receivables are stated at amortised cost.

(h) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) *Stated capital*

Ordinary shares

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(j) *Loan from related party*

The loan from related party are recognised initially at fair value, net of transaction costs incurred and are subsequently carried at amortised cost.

(k) *Other payables*

Other payables are stated at amortised cost.

(l) *Impairment*

(i) *Non-derivative financial assets*

Financial assets not classified as fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

(ii) *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 of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the net asset and settle the liability simultaneously.

(n) *Expenses*

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

(o) *Related parties*

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control or common significant influence.

(p) *Provisions*

A provision is recognised if, as a result of a past event, the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

5. **Financial instruments – Fair values and risk management**

(a) *Accounting classifications and fair value*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March, 2015	Loans and receivables USD	Other liabilities USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets not measured at fair value							
Investments	321,000	–	321,000	–	–	–	–
Receivables	223,818	–	223,818	–	–	–	–
Other receivables	7,810,641	–	7,810,641	–	–	–	–
Cash and cash equivalent	705,733	–	705,733	–	–	–	–
	11,061,192	–	11,061,192	–	–	–	–
Financial liabilities not measured at fair value							
Loan from holding company	1,000,000	–	1,000,000	–	–	–	–
Other payables	1,348,297	–	1,348,297	–	–	–	–
	2,348,297	–	2,348,297	–	–	–	–

31 March, 2014	Loans and receivables	Other liabilities USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets not measured at fair value							
Investments	321,000	–	321,000	–	–	–	–
Receivables	3,023,818	–	3,023,818	–	–	–	–
Other receivables	4,948,023	–	4,948,023	–	–	–	–
Cash and cash equivalent	403,901	–	403,901	–	–	–	–
	8,696,742	–	8,696,742	–	–	–	–
Financial liabilities not measured at fair value							
Loan from holding company	1,000,000	–	1,000,000	–	–	–	–
Other payables	1,424,705	–	1,424,705	–	–	–	–
	2,424,705	–	2,424,705	–	–	–	–

(b) *Financial risk management*

Introduction and preview

Financial instruments carried on the statement of financial position include receivables, other receivables, cash and cash equivalents, loan from related party and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are market risk, credit risk and liquidity risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews their risk management policies and systems to reflect changes in markets and emerging best practice.

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

- *Interest rate risk*

  Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant exposure to interest rate risk other than relating to its bank balances.

- *Price risk*

  The Company is not exposed to commodity price risk.

- *Currency risk*

  The Company invests in stocks denominated in Great Britain Pound (GBP) and EURO (EUR). Consequently, the Company is exposed to the risk that the exchange rate of the US Dollar relative to the Great Britain Pound & EURO may change in a manner, which has a material effect on the reported values of the Company's assets and liabilities, which are denominated in GBP and EUR.

Currency Profile

	Financial assets 2015 USD	Financial liabilities 2015 USD	Financial assets 2014 USD	Financial liabilities 2014 USD
USD	9,707,379	1,852,689	7,617,718	2,008,097
GBP	800,444	495,608	1,079,024	416,608
EUR	553,369	–	–	–
	11,061,192	2,348,297	8,696,742	2,424,705

A 10 % strengthening of USD against the GBP and EUR at 31st March 2015 would have increased net loss before tax by USD 85,821 (2014: USD 66,242). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis in 2014.

Sensitivity Analysis:

CURRENCY	2015 USD	2014 USD
GBP	30,484	66,242
EUR	55,337	–
	85,821	66,242

Similarly a 10% weakening of the USD against the GBP and EUR at 31st March 2015 would have had the exact reverse effect.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions through companies within the group. At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk at the reporting date was:

	2015 USD	2014 USD
Investments	**321,000**	321,000
Receivables	**2,223,818**	3,023,818
Other receivables	**7,810,641**	4,948,023
Cash and cash equivalents	**705,733**	403,901
	11,061,192	8,696,742

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

31 March 2015	Within one year USD	One to five years USD	Total USD
Financial liabilities			
Loan from related party	**1,000,000**	–	**1,000,000**
Other payables	**1,348,297**	–	**1,348,297**
Total Financial liabilities	**2,348,297**	–	**2,348,297**
31 March 2014			
Financial liabilities			
Loan from related party	1,000,000	–	1,000,000
Other payables	1,424,705	–	1,424,705
Total Financial liabilities	2,424,705	–	2,424,705

Multinational Textile Group Limited

6. Revenue

Revenue consist of the following:

	2015 USD	2014 USD
Management fees income	4,830,055	3,523,075
Professional fees income	2,257,572	933,699
Dividend income	952,000	1,700,000
Consultancy fees income	735,935	–
	8,775,562	6,156,774

7. Net finance income

Finance Income		
Interest Income	261492	188,635
Finance Costs		
Interest on Borrowings	(60,000)	(56,767)
Loss on Foreign exchange	(2,171)	(12,919)
	(62,171)	(69,686)
Net finance income	199,321	118,949

8. Taxation

The Company is subject to income tax in Mauritius at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of the foreign tax paid and 80% of the Mauritian tax on its foreign source income.

A reconciliation of the actual income tax expense based on accounting loss and actual income tax expense is as follows:

Recognised in statement of profit or loss and other comprehensive income

	2015 USD	2014 USD
Current year tax expense	79,733	10,171
Reconciliation of effective taxation		
Profit before taxation	2,522,872	959,397
Income tax at 15%	378,431	143,910
Non deductible expense	20,232	43,727
Foreign tax credit	(318,930)	(150,110)
Deferred tax assets not recognised	–	(27,356)
	79,733	10,171
Current tax liability / (asset)		
Balance at 01 April	(2,525)	–
Current year tax expense	79,733	10,171
Tax paid under the advance payment system	(7,734)	(12,696)
Tax refund during the year	2,525	–
Balance at 31 March	71,999	(2,525)

9. Investments

Investments consist of unquoted shares in subsidiaries and other investment.

Investment in subsidiaries

	2015 USD	2014 USD
Cost		
At 01 April	15,629,535	15,546,536
Additions during the year	76,807	336,446
Disposal during the year	–	(253,447)
Investement written off during the year	(2)	–
At 31 March	15,706,340	15,629,535

Other investment

	2015 USD	2014 USD
Cost		
At 01 April	321,000	320,600
Additions during the year	–	400
At 31 March	321,000	321,000
Total investment	16,027,340	15,950,535

Name of company	Type of shares	Number of shares	2015 % held	2014 % held	Country of incorporation
Subsidiaries					
Global Textiles Group Limited	Equity	3,987,266	100%	100%	Mauritius
SACB Holdings Limited	Equity	25,500	51%	51%	Mauritius
Norwest Industries Limited	Equity	3,400,000	85%	85%	Hong Kong
Zamira Fashions Limited	Equity	167,500	67%	67%	Hong Kong
PG Group Limited	Equity	510,000	51%	51%	Hong Kong
Simple Approach Ltd	Equity	187,500	75%	75%	Hong Kong
Simple Approach Ltd	Preference	3,190,000	100%	100%	Hong Kong
Nor Delhi Manufacturing Limited	Equity	2,000,000	100%	100%	Hong Kong
Casa Forma Limited	Equity	250,000	100%	100%	United Kingdom
Mahidhulu Investments Limited	Equity	1	-	100%	Mauritius
Propur Investments Limited	Equity	1	-	100%	Mauritius
PDS Asia Star Corporation Limited	Equity	180,000	60%	60%	Hong Kong
DPOD Manufacturing Limited	Equity	55,000	55%	60%	Hong Kong
Poeticgem International Limited	Equity	10,000	100%	-	Hong Kong
Multinational OSG Service Bangladesh Limited	Equity	9,700	97%	97%	Bangladesh
Techno Design GmbH	Equity	55,000	55%	-	Germany
Other investments					
Juhu Exchange Limited	Preference	200,000	1.83%	1.83%	Mauritius
Juhu Exchange Limited	Equity	2,518	3.72%	3.95%	Mauritius

At the reporting date, the directors have reviewed the carrying amounts of the investments in subsidiaries and considered that no provision for impairment is required for the year under review.

10. Receivables

	2015 USD	2014 USD
Loan to subsidiaries	1,923,818	2,523,818
Loan to related parties	300,000	500,000
	2,223,818	3,023,818

11. Other receivables

	2015 USD	2014 USD
Receivables from Priscilla Investment (Mtius) Limited	2,400,000	2,400,000
Receivables from subsidiaries	2,721,934	1,554,551
Consultancy fees receivable	1,077,225	–
Receivables from related parties	147,685	349,669
Interest receivable	529,234	289,234
Professional fees receivable	376,540	123,540
Cprporate service fees paid in advance	350,098	–
Management fees receivable	207,925	161,279
Prepaid expenses	678	678
Share application monies	–	69,750
	7811319	4,948,701

12. Stated capital

	2015 USD	2014 USD
Stated capital		
21,948,270 ordinary shares of USD 1 each	21,948,270	21,948,270

All shares in issue are fully paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. Loan from holding company

	2015 USD	2014 USD
Interest bearing loan with repayment term in one year	1,000,000	1,000,000

14. Other payables

	2015 USD	2014 USD
Payable to subsidiaries	689,527	934,509
Management fees payable	495,608	416,608
Interest on loan	116,767	56,767
Non-trade payables and accrued expenses	46,395	16,821
	1,348,297	1,424,705

15. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control.

One director of the Company is deemed to have beneficial interests in the Administration Agreement between the Company, the Administrator and Secretary.

During the year under review, the Company entered into the following related party transactions.

Name of related companies:	Nature	2015 USD	2014 USD
PDS Asia Star Corporation Limited	Amount given	–	(830,000)
PDS Asia Star Corporation Limited	Management fees accrued	(105,000)	(32,496)
PDS Asia Star Corporation Limited	Management fees received	105,000	32,496
Nor India Manufacturing Limited	Management fees accrued	(72,000)	(50,004)
Nor India Manufacturing Limited	Management fees received	72,000	50,004
Spring Near East Manufacturing Ltd	Management fees accrued	(489,441)	(152,760)
Spring Near East Manufacturing Ltd	Management fees received	489,441	246,803
Nor Lanka Manufacturing Limited	Management fees accrued	(418,416)	(592,214)
Nor Lanka Manufacturing Limited	Management fees received	418,416	1,071,000
Nor Lanka Manufacturing Limited	Marketing fees accrued	(1,500,000)	(91,200)
Nor Lanka Manufacturing Limited	Marketing fees received	1,402,828	315,242
Nor Europe Manufacturing Limited	Management fees accrued	(45,000)	(60,252)
Nor Europe Manufacturing Limited	Management fees received	50,021	73,981
Techno Manufacturing Limited	Management fees accrued	–	(26,880)
Techno Manufacturing Limited	Management fees received	–	41,880
Nor France Manufacturing Company Limited	Management fees accrued	–	(11,376)
Nor France West Manufacturing Company Limited	Management fees received	–	11,376
Seven Fortunes	Advance given	(8,136)	(440)
Splendida Holdings Limited	Amount given	(2,250)	(741)
Splendida Holdings Limited	Amount written off	(3,235)	–
Razamtazz Limited	Amount given	(150,000)	(94,469)
Razamtazz Limited	Amount received	320,413	397,802
SACB Holdings Limited	Advances given	(80,200)	(191,463)
SACB Holdings Limited	Advanced repaid	–	70,000
GEM Australia Manufacturing Limited	Management fees accrued	(32,256)	(15,000)
GEM Australia Manufacturing Limited	Management fees received	32,256	15,000
Frou Holdings Limited	Amount given	–	(14,741)
Frou Holdings Limited	Loan repaid	200,000	–
Designed and Sourced Limited	Management fees accrued	(18,300)	(16,248)
Designed and Sourced Limited	Management fees received	18,300	16,248
Designed and Sourced Limited	Advances given	120,000	–
Poeticgem Limited	Marketing fees accrued	(498,822)	(802,653)
Poeticgem Limited	Marketing fees received	498,822	802,653
Poeticgem Limited	Amount received	79,000	–
Simple Approach Limited	Management fees accrued	(253,464)	(202,260)
Simple Approach Limited	Management fees received	227,861	173,630
Simple Approach Limited	Consultancy fees received	–	(120,000)
Zamira Fashion Ltd	Management fees accrued	(123,000)	(82,248)
Zamira Fashion Ltd	Management fees received	123,000	82,248
Nor Delhi Manufacturing Limited	Management fees accrued	(12,000)	(26,376)
PG Group limited	Loan repaid	600,000	300,000
PG Group limited	Management fees accrued	(31,668)	(28,428)
PG Group limited	Management fees received	17,604	28,428
PG Group limited	Consultancy fees accrued	–	28,131
PG Group limited	Interest accrued	(21,492)	(58,608)
PG Group limited	Interest received	21,492	58,608
PG Group limited	Dividend income accrued	(102,000)	–
Global Textiles Group Limited	Amount received	–	150,000
Global Textiles Group Limited	Amount repaid	(20,003)	(80,670)
JSM Trading Limited	Consultancy fees accrued	4,500,000	3,000,000
JSM Trading Limited	Consultancy fees paid	(5,217,225)	(3,000,000)
Pearl Global Industries Limited	Loan received	–	1,000,000
Pearl Global Industries Limited	Interest accrued	60,000	56,767
Casa Forma Limited	Management fees accrued	–	(21,775)
Casa Forma Limited	Management fees received	–	21,775
Casa Forma Limited	Amount given	102,850	–
Norwest Industries Limited	Management fees accrued	(3,000,000)	(2,376,000)
Norwest Industries Limited	Management fees received	3,200,000	2,574,000
Norwest Industries Limited	Advances received	187,500	–
Norwest Industries Limited	Management fees amount net off against dividend received	(435,753)	–
Norwest Industries Limited	Marketing fees accrued	(5,750)	(39,846)
Norwest Industries Limited	Marketing fees received	5,750	53,550
Norwest Industries Limited	Dividend income accrued	(850,000)	(1,700,000)
Norwest Industries Limited	Dividend received	850,000	1,700,000
Norwest Industries Limited	Marketing fees amount net off against dividend received	(18,092)	–
Pearl Global HK limited	Consultancy fees accrued	250,000	301,830
Pearl Global HK limited	Consultancy fees settled	(250,000)	(301,830)
Pearl Global HK limited	Advances given	50,000	–
PDS Multinational Fashions Limited	Corporate service fees accrued	872,286	610,152
PDS Multinational Fashions Limited	Corporate service fees paid	(1,082,450)	(837,000)
Mahidhulu Investments Limited	Amount given	(3,130)	(1,000)
Mahidhulu Investments Limited	Amount written off	(8,165)	–
Propur Investments Limited	Amount given	(6,165)	(1,683)
Propur Investments Limited	Amount written off	(11,752)	–
DPOD Manufacturing Limited	Capital contribution due	–	60,000
DPOD Manufacturing Limited	Capital contribution paid	(60,000)	–

Multinational Textile Group Limited

Name of related companies:	Nature	2015 USD	2014 USD
DPOD Manufacturing Limited	Management fees accrued	(40,248)	(15,000)
DPOD Manufacturing Limited	Management fees received	40,248	15,000
Kleider Sourcing Limited	Consultancy fees accrued	(375,935)	–
Kleider Sourcing Limited	Consultancy fees received	375,935	–
Kleider Sourcing Limited	Management fees accrued	(143,182)	–
Kleider Sourcing Limited	Management fees received	143,182	–
Star Trust	Advances given	(800)	–
Techno Design GMBH	Share Application monies given	(69,900)	(69,750)
Techno Design GmbH	Allotment of shares	76,808	–
Techno Design GmbH	Amount expensed out	62,842	–
Techno Design GmbH	Management fees accrued	(46,080)	–
Techno Design GmbH	Management fees received	46,080	–
Techno Design GmbH	Advances given	(943,368)	–
Casa Forma Limited	Amount receivable	461,428	358,578
Designed and Sourced Limited	Amount receivable	120,000	–
DPOD Manufacturing Limited	Amount payable	–	60,000
Frou Holdings Ltd	Loan receivable	300,000	500,000
Frou Holdings Ltd	Interest receivable	159,207	159,207
Frou Holdings Ltd	Amount receivable	14,741	14,741
Global Textile Group Limited	Loan payable	500,000	500,000
Global Textile Group Limited	Amount payable	49,327	69,330
JSM Trading FZE	Consultancy fees paid in advance	717,225	–
Mahidhulu Investments Limited	Amount receivable	–	5,035
Nor Delhi Manufacturing Limited	Amount receivable	8,042	8,042
Nor Delhi Manufacturing Limited	Management fees receivable	67,128	55,128
Nor Delhi Manufacturing Ltd	Loan payable	112,069	112,069
Nor Europe	Management fees receivable	–	5,021
Nor Lanka Manufacturing Limited	Marketing fees received in advance	1,460	98,632
Norwest Industries Limited	Management fees received in advance	–	48,253
Norwest Industries Limited	Marketing fees received in advance	–	18,092
PDS Asia Star Corporation Limited	Amount receivable	830,000	830,000
PDS Multinational Fashions Limited	Corporate service fee paid in advance	350,098	139,934
Pearl Global (HK) Ltd	Amount receivable	50,000	–
Pearl Global Industries limited	Loan payable	1,000,000	1,000,000
Pearl Global Industries limited	Interest payable	116,767	56,767
PG Group limited	Loan receivable	48,000	648,000
PG Group limited	Management fees receivable	14,064	–
PG Group limited	Consultancy fees payable	28,131	28,131
PG Group limited	Dividend receivable	102,000	–
Poeticgem Limited	Marketing fees receivable	123,540	123,540
Poeticgem Limited	Management fees payable	495,608	416,608
Premier Exim HK	Amount receivable	53,333	53,333
Propur Investments Limited	Amount receivable	–	5,588
Razamtazz Limited	Amount receivable	414,010	584,423
SACB Holdings Limited	Amount receivable	1,718,903	1,638,703
Seven Fortunes	Amount receivable	8,811	675
Simple Approach Limited	Management fees receivable	126,733	101,130
Splendida Holdings Limited	Amount receivable	–	985
Star Trust	Amount receivable	800	–
Techno Design GMBH	Share application monies	–	69,750
Techno Design GMBH	Amount receivable	943,368	–

16. Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group Companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the group. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

17. Consolidated financial statements

These are the separate financial statements that have been prepared as per IAS 27 "Separate Financial Statements". The consolidated financial statements are prepared separately and are available at the registered office of the Company.

18. Holding company

The ultimate holding Company was Pearl Global Industries Limited, a Company incorporated in India. On 13 May 2014, following a "Scheme of Arrangement" between Pearl Global Industries Limited and PDS Multinational Fashions Limited, the entire investments held by Pearl Global Industries Limited in Multinational Textile Group Limited has been transferred to PDS Multinational Fashions Limited, a company incorporated in India with its shares listed on The National Stock Exchange of India Limited and Bombay Stock Exchange.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 31 MARCH, 2015

	2015 USD	2014 USD
Revenue		
Management fees income	4,830,055	3,523,075
Professional fees income	2,257,572	933,699
Dividend income	952,000	1,700,000
Consultancy fees income	735,935	-
	8,775,562	6,156,774
Expenses		
Consultancy fees	5,373,264	4,342,729
Corporate service fees	872,286	610,152
Professional fee	120,026	19,528
Accounting fee	27,600	27,600
Audit fee	24,700	24,700
Debtor's written off	23,150	25,371
Bank charges	4,879	4,301
Administration fee	3,406	2,875
License fees	2,070	2,133
Telephone, fax and courier charges	365	700
Sundry expenses	263	2,790
Investment written off	2	253,447
	6,452,011	5,316,326
Profit from operating activities	2,323,551	840,448
Net finance income	199,321	118,949
Profit before taxation	2,522,872	959,397

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activities of the Company during the year were the trading of home and garment products, and investment holding. The principal activities of the Company's subsidiaries are set out in note 13 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and dividends

The Group's profit for the year ended 31 March 2015 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 5 to 39.

The directors recommend the payment of a final dividend of US$0.2 cents per ordinary share totaling US$200,000 in respect of the year.

Property, plant and equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 11 to the financial statements.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 21 to the financial statements and in the consolidated statement of changes in equity, respectively.

Directors

The directors of the Company during the year were:

Berstein Jauregui Sebastian Felipe

Deepak Kumar Seth

Pallak Seth

Payel Seth

Guiloff Titelman Yariv (resigned on 30 April 2015)

In accordance with the Company's articles of association, all directors will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in transactions, arrangements or contracts

No director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Sd/-
Chairman

Hong Kong
25 May 2015

INDEPENDENT AUDITORS' REPORT

To the members of PG Group Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of PG Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 5 to 39, which comprise the consolidated and company statements of financial position as at 31 March 2015, and the consolidated statement of profit or loss, the consolidated and company statements of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated 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, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 March 2015, and of the Company's financial performance and the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Sd/-
Certified Public Accountants
Hong Kong
25 May 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
YEAR ENDED 31 MARCH 2015

	Notes	2015 US$	2014 US$
REVENUE	4	25,072,688	33,774,544
Cost of sales		(20,653,108)	(27,196,699)
Gross profit		4,419,580	6,577,845
Other income	4	84,772	133,883
Selling and administrative expenses		(4,095,357)	(5,534,600)
Finance costs	7	(107,582)	(150,977)
PROFIT BEFORE TAX	5	301,413	1,026,151
Income tax credit/(expense)	8	109,493	(133,237)
PROFIT FOR THE YEAR		410,906	892,914
Attributable to:			
Owners of the parent	9	414,784	866,194
Non-controlling interests		(3,878)	26,720
		410,906	892,914

Details of the dividend proposed for the year are disclosed in note 10 to the financial statements.

PG Group Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2015

	2015 US$	2014 US$
PROFIT FOR THE YEAR	410,906	892,914
OTHER COMPREHENSIVE INCOME / (LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	59,608	(16,378)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	59,608	(16,378)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	470,514	876,536
Attributable to:		
Owners of the parent	468,437	851,150
Non-controlling interests	2,077	25,386
	470,514	876,536

CCONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2015

	Notes	2015 US$	2014 US$
NON-CURRENT ASSETS			
Property, plant and equipment	11	10,725	26,810
Intangible assets	12	4,248	4,837
Prepayments, deposits and other receivables	16	67,342	34,235
Deferred tax assets	18	139,525	9,828
Total non-current assets		221,840	75,710
CURRENT ASSETS			
Inventories	14	847,561	795,274
Trade and bills receivables	15	3,152,735	4,824,537
Prepayments, deposits and other receivables	16	342,933	433,540
Tax recoverable		19,676	17,069
Cash and cash equivalents		736,529	819,564
Total current assets		5,099,434	6,889,984
CURRENT LIABILITIES			
Trade and bills payables		1,033,482	1,377,277
Other payables, accruals and receipts in advance	17	1,637,671	3,130,491
Interest-bearing bank borrowings	18	218,184	330,495
Tax payable		408,601	374,609
Total current liabilities		3,297,938	5,212,872
NET CURRENT ASSETS		1,801,496	1,677,112
Net assets		2,023,336	1,752,822
EQUITY			
Equity attributable to owners of the parent			
Share capital	20	1,000,000	1,000,000
Reserves	21(a)	966,168	697,731
		1,966,168	1,697,731
Non-controlling interests		57,168	55,091
Total equity		2,023,336	1,752,822

Sd/-
PALLAK SETH

Sd/-
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2015

	Share capital US$	Exchange reserve US$	Retained profit/ (accumulated) losses US$	Total equity attributable to owners of the parent US$	Non-controlling interests US$	Total US$
At 1 April 2013	1,000,000	(40,184)	(113,235)	846,581	29,705	876,286
Profit for the year	–	–	866,194	866,194	26,720	892,914
Other comprehensive loss for the year:						
Exchange difference on translation of foreign operations	–	(15,044)	–	(15,044)	(1,334)	(16,378)
Total comprehensive income for the year	–	(15,044)	866,194	851,150	25,386	876,536
At 31 March 2014 and at 1 April 2014	1,000,000	(55,228)*	752,959*	1,697,731	55,091	1,752,822
Profit for the year	–	–	414,784	414,784	(3,878)	410,906
Other comprehensive income for the year:						
Exchange difference on translation of foreign operations	–	53,653	–	53,653	5,955	59,608
Total comprehensive income for the year	–	53,653	414,784	468,437	2,077	470,514
Final 2014 dividend declared	–	–	(200,000)	(200,000)	–	(200,000)
At 31 March 2015	1,000,000	(1,575)*	967,743*	1,966,168	57,168	2,023,336

* These reserve account comprise the reserves of US$ 966,168 (2013: US $ 697,731) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2015

	Notes	2015 US$	2014 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		301,413	1,026,151
Adjustments for:			
Interest income	4	(10,805)	(297)
Depreciation	5	21,300	22,240
Finance costs	7	107,582	150,977
		419,490	1,199,071
Increase in inventories		(164,486)	(556,800)
Decrease/(increase) in trade and bills receivables		1,621,433	(2,015,475)
Decrease in prepayments, deposits and other receivables		45,499	100,755
Increase/(decrease) in trade and bills payables		(311,040)	971,175
Increase/(decrease) in other payables, accruals and receipts in advance		(1,488,957)	676,111
Cash generated from operations		121,939	374,837
Interest received		10,805	297
Overseas tax paid		(929)	(48,826)
Net cash flows from operating activities		131,815	326,308
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	11	(6,126)	(2,962)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing bank borrowings		8,186,371	5,851,289
Repayment of interest-bearing bank borrowings		(8,298,682)	(5,756,047)
Interest paid		(107,582)	(150,977)
Net cash flows used in financing activities		(219,893)	(55,735)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(94,204)	267,611
Cash and cash equivalents at beginning of year		819,564	569,216
Effect of foreign exchange rate changes, net		11,169	(17,263)
CASH AND CASH EQUIVALENTS AT END OF YEAR		736,529	819,564
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		736,529	819,564

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2015

	Notes	2015 US$	2014 US$
REVENUE	4	18,728,374	25,182,935
Cost of sales		(15,421,785)	(20,539,630)
Gross profit		3,306,589	4,643,305
Other income	4	141,783	191,251
Selling and administrative expenses		(2,852,136)	(4,164,957)
Finance costs	7	(106,465)	(150,728)
PROFIT BEFORE TAX	5	489,771	518,871
Income tax expense	8	(86,098)	(97,560)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		403,673	421,311

Details of the dividend proposed for the year are disclosed in note 10 to the financial statements.

STATEMENT OF FINANCIAL POSITION
31 MARCH 2015

	Notes	2015 US$	2014 US$
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,332	17,956
Investments in subsidiaries	13	425,025	425,025
Other receivables	16	–	7,000
Total non-current assets		426,357	449,981
CURRENT ASSETS			
Trade and bills receivables	15	2,189,268	3,146,564
Prepayments, deposits and other receivables	16	1,742,719	1,981,297
Cash and cash equivalents		193,532	332,112
Total current assets		4,125,519	5,459,973
CURRENT LIABILITIES			
Trade and bills payables		494,425	459,615
Other payables, accruals and receipts in advance	17	1,453,644	3,000,102
Interest-bearing bank borrowings	18	120,748	256,949
Tax payable		408,601	322,503
Total current liabilities		2,477,418	4,039,169
NET CURRENT ASSETS		1,648,101	1,420,804
Net assets		2,074,458	1,870,785
EQUITY			
Share capital	20	1,000,000	1,000,000
Retained earnings	21(b)	1,074,458	870,785
Total equity		2,074,458	1,870,785

Sd/-
PALLAK SETH
Director

Sd/-
Director

NOTES TO FINANCIAL STATEMENTS
31 MARCH, 2015

1. CORPORATE INFORMATION

PG Group Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 9/F, Surson Commercial Building, 140-142 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong.

During the year, the Group was primarily engaged in the trading of home and garment products, and investment holding.

The Company is a subsidiary of Multinational Textile Group Limited, a company incorporated in Mauritius. On 13 May 2014, the share capital of Multinational Textiles Group Limited, the Company's immediate holding company, was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, subsequent to the said share capital transfer, the Company's ultimate holding company changed from Pearl Global Industries Limited to PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. The financial statements have been prepared under the historical cost convention and are presented in United States dollars ("US$").

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015. The financial statements of its subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of its subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs became effective for the first time during the current financial year but are not applicable to the Group, and accordingly, they have had no impact on the Group's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of its subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the lease terms
Furniture and fixtures	10% - 33.1/2%
Office equipment	10% - 33.1/2%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The Group's brand name and merchandise license are stated at cost less any impairment losses.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in statement of profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalnets comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) commission income, in the period in which the sale services are rendered;

(c) royalty income, on an accrual basis; and

(d) interest income, on an accrual basis using the effective interest method.

PG Group Limited

Employee benefits

Retirement benefit costs

The Group operates a mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Chile and Mainland China are required to participate in central pension schemes operated by the respective local municipal governments. The subsidiaries are required to contribute certain percentages of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the respective central pension schemes.

Foreign currencies

These financial statements are presented in US$, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange prevailing at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair values was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or the profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of overseas subsidiaries are currencies other than the US$. As at the end of the reporting period, the assets and liabilities of the subsidiaries are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period, and their statements of profit or loss is translated into US$ at the weighted average exchange rate for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiary are translated into US$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiary which arise throughout the year are translated into US$ at the weighted average exchange rates for the year.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders.

In prior years, final dividends proposed by the directors were classified as an allocation of retained profits within equity and presented separately in the statement of financial position. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements.

4. REVENUE AND OTHER INCOME

Revenue, which is also the Group's and the Company's turnover, represents the net invoiced value of goods sold.

An analysis of other income is as follows:

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Bank interest income	465	297	284	149
Interest income from a related party	10,340	–	10,340	–
Interest income from a subsidiary	–	–	89,356	79,721
Commission income	–	27,027	–	27,027
Compensation from suppliers for late shipments	54,423	70,166	41,803	66,363
Compensation from customers for late payments	–	17,991	–	17,991
Royalty income	19,063	18,402	–	–
Others	481	–	–	–
	84,772	133,883	141,783	191,251

5. PROFIT BEFORE TAX

The Group's and the Company's profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Auditors' remuneration	24,143	23,725	11,668	11,565
Cost of inventories sold	20,653,108	27,196,699	15,421,785	20,539,630
Depreciation	21,300	22,240	16,624	18,857
Minimum lease payments under operating leases of land and buildings	145,104	151,446	–	–
Staff costs (excluding directors' remuneration (note 6)):				
Salaries and allowances	636,412	772,509	83,749	269,251
Pension scheme contributions (defined contribution scheme)	148,288	157,163	8,040	14,815
	784,700	929,672	91,789	284,066
Foreign exchange differences, net	30,029	219,617	202	6,243

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to Section 383 (1) (a) of the Hong Kong Companies Ordinance is as follows:

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Fees	–	–	–	–
Other emoluments:				
Salaries and allowances	156,659	307,184	–	66,000
	156,659	307,184	–	66,000

7. FINANCE COSTS

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Interest on bank borrowings and overdrafts	86,090	92,369	84,973	92,120
Interest on an amount due to the immediate holding company	21,492	58,608	21,492	58,608
	107,582	150,977	106,465	150,728

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year ended 31 March 2015. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group and the Company operate.

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Current - Hong Kong				
Charge for the year	86,098	149,666	86,098	97,560
Overprovision in the prior year	(56,168)	–	–	–
Current - Chile				
Credit for the year	(9,726)	(10,221)	–	–
Underprovision in the prior year	–	3,620	–	–
Deferred tax (note 19)	(129,697)	(9,828)	–	–
Total tax charge/(credit) for the year	(109,493)	133,237	86,098	97,560

A reconciliation of the tax expense applicable to profit before tax at the Hong Kong statutory tax rate to the tax charge at the effective tax rate is as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Profit before tax	301,413	1,026,151	489,771	518,871
Tax charge at the Hong Kong statutory tax rate	49,733	169,315	80,812	85,614
Difference in tax rates applied for specific provinces or local authority	85,495	13,853	–	–
Income not subject to tax	(25)	(25)	(25)	(25)
Expenses not deductible for tax	3,383	26,838	3,383	9,738
Tax losses utilised from previous periods	(11,504)	(82,916)	–	–
Adjustments in respect of current tax of previous periods	(56,168)	3,620	–	–
Others	(180,407)	2,552	1,928	2,233
Tax at the effective tax rate	(109,493)	133,237	86,098	97,560

In the year ended 31 March 2014, the Group fully utilised tax losses of US$192,056 that arose in Hong Kong and were brought forward from prior years.

At the end of the reporting period, the Group had tax losses arising in Mainland China of US$126,345 (2014: US$172,361) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the tax losses due to the unpredictability of future profit streams.

9. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2015 includes a profit of US$403,673 (2014: US$421,311) which has been dealt with in the financial statements of the Company (note 21(b)).

8. DIVIDEND

	2015 US$	2014 US$
Final - US$0.2 cents (2014: Nil) per ordinary share	200,000	–

11. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements US$	Furniture and fixtures US$	Office equipment US$	Total US$
31 March 2015				
At 31 March 2014 and 1 April 2014:				
Cost	40,720	63,331	69,979	174,030
Accumulated depreciation	(28,294)	(58,674)	(60,252)	(147,220)
Net carrying amount	12,426	4,657	9,727	26,810
At 1 April 2014, net of accumulated depreciation	12,426	4,657	9,727	26,810
Additions	–	620	5,506	6,126
Depreciation provided during the year	(12,426)	(4,107)	(4,767)	(21,300)
Exchange realignment	–	(71)	(840)	(911)
At 31 March 2015, net of accumulated depreciation	–	1,099	9,626	10,725
At 31 March 2015:				
Cost	40,720	63,951	75,485	180,156
Accumulated depreciation	(40,720)	(62,852)	(65,859)	(169,431)
Net carrying amount	–	1,099	9,626	10,725
31 March 2014				
At 1 April 2013:				
Cost	40,720	63,331	67,017	171,068
Accumulated depreciation	(14,722)	(54,001)	(55,062)	(123,785)
Net carrying amount	25,998	9,330	11,955	47,283
At 1 April 2013, net of accumulated depreciation	25,998	9,330	11,955	47,283
Additions	–	–	2,962	2,962
Depreciation provided during the year	(13,572)	(4,580)	(4,088)	(22,240)
Exchange realignment	–	(93)	(1,102)	(1,195)
At 31 March 2014, net of accumulated depreciation	12,426	4,657	9,727	26,810
At 31 March 2014:				
Cost	40,720	63,331	69,979	174,030
Accumulated depreciation	(28,294)	(58,674)	(60,252)	(147,220)
Net carrying amount	12,426	4,657	9,727	26,810

Company	Leasehold improvements US$	Furniture and fixtures US$	Office equipment US$	Total US$
31 March 2015				
At 31 March 2014 and 1 April 2014:				
Cost	40,720	58,382	51,295	150,397
Accumulated depreciation	(28,294)	(55,666)	(48,481)	(132,441)
Net carrying amount	12,426	2,716	2,814	17,956
At 1 April 2014, net of accumulated depreciation	12,426	2,716	2,814	17,956
Depreciation provided during the year	(12,426)	(2,716)	(1,482)	(16,624)

PG Group Limited

Company	Leasehold improvements US$	Furniture and fixtures US$	Office equipment US$	Total US$
At 31 March 2015, net of accumulated depreciation	–	–	1,332	1,332
At 31 March 2015:				
Cost	40,720	58,382	51,295	150,397
Accumulated depreciation	(40,720)	(58,382)	(49,963)	(149,065)
Net carrying amount	–	–	1,332	1,332
31 March 2014				
At 1 April 2013:				
Cost	40,720	58,382	51,295	150,397
Accumulated depreciation	(14,722)	(52,414)	(46,448)	(113,584)
Net carrying amount	25,998	5,968	4,847	36,813
At 1 April 2013, net of accumulated depreciation	25,998	5,968	4,847	36,813
Depreciation provided during the year	(13,572)	(3,252)	(2,033)	(18,857)
At 31 March 2014, net of accumulated depreciation	12,426	2,716	2,814	17,956
At 31 March 2014:				
Cost	40,720	58,382	51,295	150,397
Accumulated depreciation	(28,294)	(55,666)	(48,481)	(132,441)
Net carrying amount	12,426	2,716	2,814	17,956

12. INTANGIBLE ASSETS

Group	Merchandise license US$	Brandname US$	Total US$
31 March 2015			
At 31 March 2014 and 1 April 2014:			
Cost	8,359	4,837	13,196
Accumulated amortisation	(8,359)	–	(8,359)
	–	4,837	4,837
At 1 April, 2014, net of accumulated amortisation	–	4,837	4,837
Exchange realignment	–	(589)	(589)
At 31 March 2015, net of accumulated amortisation	–	4,248	4,248
At 31 March 2015:			
Cost	8,359	4,248	12,607
Accumulated amortisation	(8,359)	-	(8,359)
	–	4,248	4,248
31 March 2014			
At 1 April 2013:			
Cost	8,359	5,635	13,994
Accumulated amortisation	(8,359)	–	(8,359)
	–	5,635	5,635
At 1 April, 2013, net of accumulated amortisation	–	5,635	5,635
Exchange realignment	–	(798)	(798)
At 31 March 2014, net of accumulated amortisation	–	4,837	4,837

The brand name was not used during the years ended 31 March, 2015 and 31 March, 2015.

13. INVESTMENTS IN SUBSIDIARIES

	Company 2015 US$	Company 2014 US$
Unlisted shares, at cost	425,025	425,025

The amounts due from subsidiaries are disclosed in note 16(b) to the financial statements.

Particulars of the Company's subsidiaries as at the end of the reporting period are as follows:

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company: Direct	Indirect	Principal activities
PG Home Group Limited	Hong Kong	US$250,000	90	–	Trading of home and garment products, and investment holding
PG Home Group S.P.A.#	Chile	Chilean Pesos 3,000,000	–	90	Sales and marketing
PG Shanghai Manufacturer Co. Ltd# ("PG Shanghai")	Shanghai	US$200,025	100	–	Provision of sourcing services

\# Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

14. INVENTORIES

	Group 2015 US$	Group 2014 US$	Company 2015 US$	Company 2014 US$
Finished goods	847,561	795,274	–	–

15. TRADE AND BILLS RECEIVABLES

	Group 2015 US$	Group 2014 US$	Company 2015 US$	Company 2014 US$
Trade receivables	919,893	1,389,769	53,862	157,313
Bills receivable	526,529	1,482,853	429,093	1,037,336
Amount due from related party (note 16(a))	1,706,313	1,951,915	1,706,313	1,951,915
	3,152,735	4,824,537	2,189,268	3,146,564

The Group's and the Company's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade and bills receivables are non-interest-bearing and are on credit terms of 30 to 120 days. The Group and the Company seek to maintain strict control over their outstanding receivables and overdue balances are reviewed regularly by management. The Group and the Company do not hold any collateral or other credit enhancements over its trade receivable balances.

An aged analysis of the trade and bill receivables that are not individually nor collectively considered to be impaired is as follows:

	Group 2015 US$	Group 2014 US$	Company 2015 US$	Company 2014 US$
Neither past due nor impaired	1,910,939	3,033,782	973,529	1,480,471
Past due but not impaired:				
Less than one month	1,154,569	1,756,874	1,133,457	1,634,421
One to three months	87,029	31,673	82,282	31,672
Over three months	198	2,208	–	–
	3,152,735	4,824,537	2,189,268	3,146,564

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group and/or the Company. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at the end of the reporting period, the Group and Company had transferred certain bills of exchange amounting to US$218,853 (2014: US$331,016) and US$121,119 (2014: US$257,328) , respectively, to a bank with recourse in exchange for cash. The proceeds of the Group and the Company from transferring the bills receivable of US$218,184 (2014: US$330,495) and US$120,748 (2014: US$256,949), respectively, have been accounted for as collateralised bank advances and have been included in interest-bearing bank borrowings until the bills are collected or the Group/Company makes good of any losses incurred by the banks (note 18).

16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Prepayments	132,974	192,434	12,460	80,288
Deposits	25,675	26,350	–	20,770
Other receivables	19,085	33,991	25	25
Due from a related company (note (a))	232,541	–	232,541	–
Due from subsidiaries (note (b))	–	–	1,497,693	1,672,214
Due from a director (note (c))	–	215,000	–	215,000
	410,275	467,775	1,742,719	1,988,297
Less: Portion classified as non-current	(67,342)	(34,235)	–	(7,000)
	342,933	433,540	1,742,719	1,981,297

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no history of default.

Notes:

(a) Particulars of an amount due from a related company, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance, are as follows:

Name	31 March 2015 US$	Maximum amount outstanding during the year US$	1 April 2014 US$
Grupo Extremo SUR S.A.	232,541	232,541	1,706313

The related company held a 100% shareholding of GES Corp. HK Limited, a shareholder of the Company.

The amounts due from a related company are unsecured, interest-free and have no fixed terms of repayment.

(b) The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

(c) Particulars of the amounts due from directors, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance, are as follows:

Name	31 March 2015 US$	Maximum amount outstanding during the year US$	1 April 2014 US$
Mr. Yariv Guiloff Titelman	–	215,000	215,000
	–		215,000
Amount classified as non-current	–		(7,000)
Current	–		208,000

The amount due from a director is unsecured, interest-free and has no fixed terms of repayment.

17. OTHER PAYABLES, ACCRUALS AND RECEIPTS IN ADVANCE

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Accruals	87,817	92,243	21,506	41,715
Accrued employee benefits	11,097	7,571	–	–
Other payables (note (a))	100,973	72,472	4,470	6,688
Dividend payable	200,000	-	200,000	–
Receipts in advance	10,116	90,186	–	83,680
Due to fellow subsidiaries (note (b))	1,193,735	2,203,687	1,193,735	2,203,687
Due to a related company (note 16(a))	–	44,463	–	44,463
Due to the immediate holding company (note (c))	33,933	619,869	33,933	619,869
	1,637,671	3,130,491	1,453,644	3,000,102

Notes:

(a) Other payables are non-interest-bearing and have an average term of three months.

(b) The amounts due to fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

(c) The amount due to the immediate holding company is unsecured, bears interest at 6% (2014: 6%) per annum and has no fixed terms of repayment.

18. INTEREST-BEARING BANK BORROWINGS

Collateralised bank advances	218,184	330,495	120,748	256,949

The collateralised bank advances are denominated in US$, interest-bearing at 3.67%-3.68% (2014: 3.65%-5.65%), matured and were repaid in April 2015.

19. DEFERRED TAX ASSET

Group	Losses available for offsetting against future taxable profits US$
At 1 April 2013	–
Deferred tax credited to profit or loss during the year (note 8)	9,828
At 31 March 2014 and 1 April 2014	9,828
Deferred tax credited to profit or loss during the year (note 8)	129,697
At 31 March 2015	139,525

20. SHARE CAPITAL

	2015 US$	2014 US$
Issued and fully paid:		
1,000,000 ordinary shares	1,000,000	1,000,000

21. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity on page 8 of the financial statements.

(b) Company

	Retained earnings US$
At 1 April 2013	449,474
Total comprehensive income for the year	421,311
At 31 March 2014 and at 1 April 2014	870,785
Total comprehensive income for the year	403,673
Final 2014 dividend declared	(200,000)
At 31 March 2015	1,074,458

PG Group Limited

22. OPERATING LEASE ARRANGEMENTS

The Group leases its office premise under an operating lease arrangement. The lease for the premise is negotiated for a term of three years.

At the end of the reporting period, the Group and the Company had total future minimum lease payments under the non-cancellable operating lease falling due as follows:

	Group		Company	
	2015 US$	2014 US$	2015 US$	2014 US$
Within one year	**95,809**	57,413	–	–
In the second to fifth years, inclusive	**159,681**	–	–	–
	255,490	57,413	–	–

23. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group and the Company had the following material transactions with related parties during the year:

	Notes	2015 US$	2014 US$
Immediate holding company:			
Management fees paid	(i)	**17,604**	28,428
Interest paid	(ii)	**21,492**	58,608
A related company:			
Sales of goods	(iii)	**12,168,475**	12,480,741
Commissions paid	(iv)	**1,270,906**	1,625,034
Commissions received	(v)	**15,130**	–
Interest income	(vi)	**10,340**	–
A subsidiary:			
Interest income	(vi)	**89,356**	79,721

Notes:

(i) The management fees paid were charged at rates mutually agreed between the Group and the immediate holding company.

(ii) The amount due to the immediate holding company is unsecured, bears interest at 6% (2014: 6%) per annum and has no fixed terms of repayment.

(iii) The sales were made based on terms and conditions mutually agreed between the Group and the related company.

(iv) The commissions paid were related to sourcing services received and were charged at rates mutually agreed between the Group and the related company.

(v) The commissions received were related to referral of customers to a related company and were charged at rates mutually agreed between the Group and the related company.

(vi) The interest income received from a subsidiary or a related company were charged at rates mutually agreed between the Company and the subsidiary or the related company.

24. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Group and the Company comprise trade and bills receivables, deposits and other receivables, and cash and cash equivalents, which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.

The financial liabilities of the Group and the Company comprise trade and bill payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings, which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.

25. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Group's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade and bills receivables, deposits and other receivables, cash and cash equivalents, trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings, approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Group did not have any financial assets and liabilities measured at fair value as at the end of each reporting period.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's exposure to credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Group's financial management policies and practices described below:

Credit risk

The aggregate carrying amount of cash and cash equivalents, trade and bills receivables, and deposits and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets. The Group's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Group has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The maximum exposure for trade and bills receivables is the carrying amount as disclosed in note 15 to the financial statements. At the end of the reporting period, the Group had certain concentrations of credit risks as 87% (2014: 89%) of the Group's trade and bills receivables were due from the Group's top five customers.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to its shareholders, return capital to the shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2015 and 31 March 2014.

28. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 May 2015.

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements of the company for the year ended 31 March 2015.

Principal activities and business review

The principal activity of the company during the year was that of interior and architectural design.

Following this period of transition the company steered by a new management team, who were promoted organically, focused attention on new business development and as a result Casa Forma Limited has a strong pipeline of both UK and International projects in place for the coming financial year.

The directors' focus is on re-establishing profitability, increasing turnover, improving operating results and cash flow.

Results and dividends

Profitfor the year amounted to £37,366(2014: loss£142,376). The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

Mr P Seth

Mr A Banaik

Auditor

The auditors, UHY Hacker Young,are deemed to be appointed under Section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

– select suitable accounting policies and then apply them consistently:

– make judgements and estimates that are reasonable and prudent:

– state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements: and

– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the financial information included on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

– so far as the director is aware, there is no relevant information of which the company's auditor is unaware: and

– the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

Mr A Banaik

Director

18th May, 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASA FORMA LIMITED

FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Casa Forma Limited for the year ended 31 March 2015, which comprise the income statement, balance sheet, the cash flow statement, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state tothem in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

– give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended:

– have been properly prepared in accordance with IFRSs as adopted by the EU and

– have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 required us to report to you if, in our opinion:

– adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us: or

– the financial statements are not in agreement with the accounting records and returns: or

– certain disclosures of directors' remuneration specified by law are not made: or

– we have not received all the information and explanations we require for our audit.

Vinodkumar Vadgama (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

19th May 2015

Chartered Accountants
Statutory Auditor

Casa Forma Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	NOTES	2015 £	2014 £
Revenue		761,567	1,005,829
Cost of sales		(90,046)	(361,699)
Gross profit		671,521	644,130
Other income	4	20,618	18,240
Administrative expenses		(654,262)	(804,357)
Operating profit/ (loss)		37,877	(141,987)
Finance costs	5	(511)	(389)
Profit/ (Loss) before taxation		37,366	(142,366)
Taxation	6	–	
Profit/ (Loss) for the financial year		37,366	(142,366)

None of the company's activities were discontinued in the year.

There are no other comprehensive income and expenses, other than those passing through the income statement.

The notes on pages 10 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	NOTES	2015 £	2014 £
Non current assets			
Property, plant and equipment	7	21,320	27,980
Current assets			
Inventories	8	39,202	39,202
Trade and other receivables	9	223,071	149,375
Cash and cash equivalents		265	172,359
		262,538	360,936
Total assets		283,858	388,916
Current liabilities			
Trade and other payables	10	(576,239)	(718,663)
Net current liabilities		(313,701)	(357,727)
Net liabilities		(292,381)	(329,747)
Shareholders' equity			
Share capital	13	250,000	250,000
Retained earnings	14	(542,381)	(579,747)
Total equity		(292,381)	(329,747)

These financial statements were approved by the board of directors and authorised for issue on 18th May 2015 and were signed on its behalf by:

Mr A Banaik

Director

Company Registration Number: 06060342

The notes on pages 10 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2013	250,000	(437,371)	(187371)
Total comprehensive income for the year	–	(142,376)	(142,376)
Balance at 1 April 2014	250,000	(579,747)	(329, 747)
Total comprehensive loss for the year	–	37,366	37,366
Balance at 31 March 2015	250,000	(542,381)	(292,381)

The notes on pages 10 to 19 form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
Cash flows from operating activities	15	(172,094)	101,662
Cash flows from investing activities			
Payments to acquire property, plant and equipment		–	–
Net increase in cash and cash equivalents cash equivalents		(172,094)	101,662
Cash and cash equivalents at the start of the year		172,359	70,697
Cash and cash equivalents at end of the year		265	172,359

	2015 £	2014 £
Cash and cash equivalents comprise:		
Cash at bank and in hand	265	172,359

The notes on pages 10 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRSs.

Revenue

The revenue shown in the statement of comprehensive income represents amounts invoiced during the year, exclusive of Value Added Tax.

Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings - 20% per annum on reducing balance

Computer equipment - 25% per annum on reducing balance

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Fundamental accounting concept

The accounts have been prepared on a going concern basis as, in the opinion of the directors, the immediate parent company, Multinational Textile Group Limited, shall continue to financially support the company in the foreseeable future to meet the liabilities as they fall due.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

The company does not use or trade derivative financial instruments. Financial instruments that the company uses are non-derivative and are recognised initially at fair value. Subject to initial recognition, non-derivative financial instruments are measured as described as follows:

- Trade and other receivables
  Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.
- Trade and other payables
  Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are stated at their nominal value.
- Cash and cash equivalents
  Cash for the purposes of the statement of cash flows comprises cash at bank and in hand. Cash equivalents are short term liquid investments convertible into cash and are subject to insignificant risk of changes in value. Bank overdrafts which form part of cash and cash equivalents for the purpose of the cash flow statements are shown under current liabilities.

2. OPERATING PROFIT/ (LOSS)

Operating profit/ (loss) has been arrived at After charging:	2015 £	2014 £
Staff costs (see note 3)	426,018	469,690
Depreciation of property, plant and equipment	6,660	8,771
Operating lease rentals	–	50,829
Fees payable to auditors:		
Audit of annual financial statements	4,000	4,000
Other services - review of the interim financial statements	2,700	2,700

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2015 No	2014 No
Operational	6	9
Management	4	3
	10	12

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	385,199	422,452
Social Security costs	40,819	47,238
	426,018	469,690

4. OTHER INCOME

	2015	2014
Rental income	20,618	18,240

5. FINANCE COSTS

	2015	2014
Other interest	511	389

6. TAXATION

	2015	2014
Current tax expense:		
UK corporation tax	–	–
Reconciliation of current tax expense to accounting profit/ (loss):		
Profit/ (loss) before taxation	(37,366)	(142,376)
Notional taxation charge at the UK corporation tax rate of 23% (2013: 24%)	7,847	(32,746)
Tax effects of:		
Expenses not deductible for tax purposes	46	180
Capital allowances in excess of depreciation	359	721
Unutilised tax losses not recognised as a deferred tax asset	(8,252)	31,845
Total current tax charge for the year	–	–

The company had unused tax losses of approximately £300,000 (2014: £340,000) available to carry forward against future trading profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The tax losses can be carried forward.

7. PROPERTY, PLANT & EQUIPMENT

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
At 1 April 2014	26,830	68,790	95,620
Additions	–	–	–
At 31 March 2015	26,830	68,790	95,620
Depreciation			
At 1 April 2014	20,155	47,485	67,640
Charge for the year	1,335	5,325	6,660
At 31 March 2015	21,490	52,810	74,300
Net book value			
At 31 March 2015	5,340	15,980	21,320
At 31 March 2014	6,675	21,305	27,980
Cost			
At 1 April 2013	26,830	68,790	95,620
Additions	–	–	–
At 31 March 2014	26,830	68,790	95,620
Depreciation			
At 1 April 2013	18,486	40,383	58,869
Charge for the year	1,669	7,102	8,771
At 31 March 2014	20,155	47,485	67,640
Net book value			
At 31 March 2014	6,675	21,305	27,980
At 31 March 2013	8,344	28,407	36,751

Casa Forma Limited

8. INVENTORIES

	2015	2014
	£	£
Finished goods	39,202	39,202

9. TRADE AND OTHER RECEIVABLES

Trade receivables	147,621	71,227
VAT recoverable	2,290	–
Other receivables	22,672	27,972
Prepayments and accrued income	50,488	49,452
Amount due from fellow group undertakings	–	724
	223,071	149,375

Other receivables include a rent deposit of £20,000 (2014: £20,000) for which there is a charge.

10. TRADE AND OTHER PAYABLES

Bank Overdraft	1,874	–
Trade payables	19,720	145,986
Amounts owed to parent undertaking	296,926	230,695
Amounts owed to fellow group undertakings	160,299	223,994
Social securities and other taxes	11,167	31,489
Other payables	2,808	4,146
Accruals and deferred income	83,445	82,353
	576,239	718,663

The company has given a legal charge to its bank in respect of banking facilities including company credit card.

11. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2015	2014
	£	£
Originating leases which expire:		
Within one year	74,000	74,000
Between 2-5 years	6,167	80,167
	80,167	154,167

12. RELATED PARTY TRANSACTIONS

At the year end, the company owed the following amounts to its parent and fellow group undertakings:

- Poeticgem Limited - £160,299 (2014: £157,651)
- Norlanka Industries Limited - £nil (2014 : £112)
- Multinational Textile Group Limited - £296,926 (2014: £230,695)
- Norwest Industries Limited - £nil (2014: £66,231)

At the year end, the company owed the following amounts to its fellow group undertakings:

- Razamtazz Limited - £nil (2014: £724)

During the year the company carried out projects for MrPallak Seth, a director of the company, generating sales of £20,877 (2014: £nil). In addition, a project was also undertaken for a relative of MrPallak Seth generating sales of £9,397 (2014: £138,847). No balances were outstanding at the year end from both MrPallakSeth and his relative.

Rent amounting to £20,618 (2014: £18,240) was received in the year from Spring Near East Manufacturing Company Limited, Hong Kong, a fellow group company. No balance was outstanding at the year end.

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2015	2014
	£	£
250,000 Ordinary shares of £1 each	250,000	250,000

14. RETAINED EARNINGS

Balance brought forward	(579,747)	(437,371)
Profit/ (loss) for the financial year	37,366	(142,376)
Balance carried forward	(542,381)	(579,747)

15. NOTES TO THE CASH FLOW STATEMENTS

Reconciliation of operating profit to net cash inflow from operating activities

	2015	2014
	£	£
Operating profit/ (loss)	37,366	(142,376)
Depreciation	6,660	8,771
Decrease / (increase) in debtors	(73,696)	138,091
Increase / (decrease) in creditors	(142,424)	97,176
Net cash inflow from operating activities	(172,094)	101,662

16. CAPITAL RISK MANAGEMENT

The company manages its capital to ensure that it will be able to continue as a going concern whilst maximizing the return to stakeholders through the optimisation of the equity balance. The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and retained earnings.

17. FINANCIAL RISK MANAGEMENT

The following section provides quantitative and qualitative disclosures on the effect that these risks have upon the company.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available the company uses other publicly available financial information. The company's exposure and the credit ratings of its counterparties are continuously monitored.

The company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors forecasts of the company's liquidity reserve, comprising cash and cash equivalents, on the basis of expected cash flow. At 31 March 2015, the company held cash and cash equivalents of £265 (2014: £172,359).

Foreign currency risk

The company's functional and presentation currency and the majority of its spending as well as financing facilities are in GBP. As such, no exchange rate risk exists. The company has no deposit or loan facilities, hence is not affected by interest rate fluctuations.

18. ULTIMATE PARENT COMPANY

The immediate parent company is Multinational Textile Group Limited, a company registered in Mauritius, and the ultimate parent company is PDS Multinational Fashions Limited, a company registered in India.

PDS Multinational Fashions Limited prepares group financial statements and copies can be obtained from Corporate Office: No. 2339, II Floor, Krishna Complex, 17th Cross, HSR Layout, Sector-I, Bangalore-560102, Karnataka.

PDS Multinational Fashions Limited is listed on the Bombay Stock Exchange and National Stock Exchange in India.

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	2015		2014	
	£	£	£	£
Turnover		761,567		1,005,829
Cost of sales				
Opening stock	39,202		39,202	
Purchases	90,046		358,774	
Direct costs	–		2,925	
	129,248		400,901	
Closing stock of finished goods	(39,202)		(39,202)	
		(90,046)		(361,699)
Gross profit		671,521		644,130
Other income		20,618		18,240
Administrative expenses		(654,262)		(804,357)
Operating profit/ (loss)		37,877		(141,987)
Finance costs				
Other interest		(511)		(389)
Profit/(Loss)before tax		37,366		(142,376)

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2015

	2015		2014	
	£	£	£	£
Administrative expenses				
Personnel costs				
Wages and salaries	385,199		422,452	
Employer's N.I. contributions	40,819		47,238	
		426,018		469,690
Establishment expenses				
Rent, rates & water	120,535		106,312	
Insurance	9,342		7,966	
Repairs and maintenance	3,150		561	
Cleaning of premises	3,899		4,020	
		136,926		118,859
General expenses				
Travel & subsistence	15,945		17,913	
Telephone	5,940		8,401	
Staff training	2,069		–	
Printing, stationery & postage	6,857		13,200	
Office expenses	–		87	
Computer software	10,243		17,394	
Website expenses	–		56	
Recruitment fees	–		19,125	
Staff welfare	172		–	
Subscriptions	556		1,900	
General expenses	642		17,179	
Entertainment	219		–	
Advertising and promotional	25,176		29,282	
Legal and professional fees	5,046		12,820	
Accountancy fees	–		1,079	
Corporate charges	–		14,000	
Auditor's remuneration	7,636		6,748	
Bad debts	–		44,375	
Profit/loss on foreign currency	(159)		–	
Depreciation of fixtures and fittings	1,335		1,669	
Depreciation of office equipment	5,326		7,102	
		87,003		212,330
Finance costs				
Bank & credit card charges		4,315		3,478
		654,262		804,357

PDS Asia Star Corporation Limited

DIRECTORS' CONSOLIDATED REPORT

The directors present their consolidated report and the annual audited financial statements for the year ended March 31, 2015, which were approved by them at the board meeting held on the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of the Company are garment trading and investment holding. The principle activity and other particulars of the subsidiary are set out in the Note (20) to the consolidated financial statements.

FINANCIAL RESULTS

The results of the Company and its subsidiary (the "Group") for the year ended March 31, 2015 and the financial position of the Group and the Company as at that date are set out in the annexed financial statements.

DIVIDEND

The directors do not recommend any payments of dividend for the year.

PLANT AND EQUIPMENT

Movements in plant and equipment are set out in Note (13) to the financial statements.

DIRECTORS

The name of persons who were the directors of the Group during the period beginning with the end of the financial year and ending on the date of this report are as follows:

Deepak Kumar SETH
Faiza Habeeb SETH
FENG Qing
Pallak SETH

In accordance with Article 7 of the Company's Articles of Association, the directors retire and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review for this financial year.

DIRECTORS' INTEREST

Except for the related party transactions as disclosed in Note (23) to the consolidated financial statements, no contracts of significance to which the Group, any of its ultimate holding company, its subsidiary or its fellow subsidiaries was a party and in which the director had a material interest subsisted at the end of the year or at any time during the year. At no time during the year was the Group, any of its ultimate holding company, its subsidiary or its fellow subsidiaries a party to any arrangements to enable the director of the Group to acquire benefits by means of acquisition of shares in or debentures of the Group or other body corporate.

AUDITORS

The Company's auditors Messrs. Louis Lai & Luk CPA Limited, retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

Sd/-
Pallak SETH
Chairman

Hong Kong, May 20, 2015.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PDS ASIA STAR CORPORATION LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the accompanying consolidated financial statements of PDS Asia Star Corporation Limited (the "Company") and its subsidiary (collectively the "Group") set out on pages 5 to 29, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 405-407 of the Hong Kong Companies Ordinance (Cap.622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosure made in Note (2c) to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon ongoing support from the Group's holding company and the attaining of profitable and positive cash flow operations, and the Group may turn to a commercially viable concern. The consolidated financial statements do not include any adjustments that may be necessary should the implementation of such measures become unsuccessful.

We consider that appropriate disclosures have been made and our opinion is not qualified in this respect.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Louis Lai & Luk CPA Limited
Certified Public Accountants
Luk Wing Hay
Practising Certificate Number P01623
Hong Kong, May 20, 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENED MARCH 31, 2015

	NOTES	1/4/2015 HK$	24/10/2014 HK$
REVENUE	(6)	163,984,147	48,494,059
OTHER INCOME AND GAIN, NET	(6)	4,677,327	2,542,359
COST OF GOODS SOLD		(144,850,367)	(42,559,233)
STAFF COSTS		(15,333,756)	(8,619,741)
DEPRECIATION		(702,320)	(383,455)
OTHER OPERATING EXPENSES		(13,666,525)	(7,236,332)
LOSS FROM OPERATIONS		(5,891,494)	(7,762,343)
FINANCE COST	(7)	(292,850)	(4,327)
LOSS BEFORE TAXATION	(8)	(6,184,344)	(7,766,670)
TAXATION	(10)	–	–
LOSS FOR THE YEAR	(11)	(6,184,344)	(7,766,670)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Item that may be reclassified to profit or loss:			
Exchange difference on translating of foreign operations		(82,130)	31,451
TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR		(6,266,474)	(7,735,219)

THE NOTES ON PAGES 9 TO 29 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

	NOTES	2015 HK$	2014 HK$
ASSETS			
Non-Current Assets			
Plant and equipment	(12)	1,747,537	1,095,966
Current Assets			
Deposit and prepayment		380,170	282,853
Trade and other receivables	(14)	29,516,881	10,337,861
Amounts due from fellow subsidiaries	(15)	134,769	2,301,174
Bank balances		3,760,094	4,148,270
		33,791,914	17,070,158
Current Liabilities			
Amounts due to fellow subsidiaries	(16)	11,720,821	10,842,495
Amount due to immediate holding company	(16)	6,457,400	6,457,400
Trade and other payables	(17)	15,440,614	9,630,707
Secured bank borrowing	(18)	16,951,568	–
		50570403	26,930,602
Net Current Liabilities		(16,778,489)	(9,860,444)
NET LIABILITIES		(15,030,952)	(8,764,478)
Represented by:			
CAPITAL AND RESERVES			
Share capital	(19)	2,334,000	2,334,000
Translation reserve		(48,048)	34,082
Accumulated losses		(17,316,904)	(11,132,560)
SHAREHOLDERS' DEFICIT		(15,030,952)	(8,764,478)

APPROVED BY THE BOARD OF DIRECTORS ON MAY 20, 2015 AND SIGNED ON BEHALF OF THE BOARD BY:

Sd/-
Pallak SETH
DIRECTOR

Sd/-
FENG Qing
DIRECTOR

CONSOLIATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2015

	Share Capital HK$	Translation Reserve HK$	Accumulated Losses HK$	Total HK$
At April 1, 2013	2,334,000	2,631	(3,365,890)	(1,029,259)
Total comprehensive expenses for the year	–	31,451	(7,766,670)	(7,735,219)
At March 31, 2014 and April 1, 2014	2,334,000	34,082	(11,132,560)	(8,764,478)
Total comprehensive expenses for the year	–	82,130	(6,184,344)	(6,266,474)
At March 31, 2015	2,334,000	48,048	(17,316,904)	(15,030,952)

THE NOTES ON PAGES 9 TO 29 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2015

	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,184,344)	(7,766,670)
Adjustments for:		
Depreciation	702,320	383,455
Interest income	(4,071)	(1,784)
Interest expenses	292,850	4,327
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(5,193,245)	(7,380,672)
Increase in deposit and prepayment	(97,317)	(111,690)
Increase in trade and other receivables	(19,179,020)	(10,162,904)
Net receipt from fellow subsidiaries	3,044,731	5,588,932
Net payment to a director	–	(254,914)
Net receipt from immediate holding company	–	6,457,400
Increase in trade and other payables	5,809,907	9,625,707
Net cash (used in) / generated from operations	(15,614,944)	3,761,859
Interest received	4,071	1,784
Interest paid	(292,850)	(4,327)
Net cash (used in) / generated from operating activities	(15,903,723)	3,759,316
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire plant and equipment amd net cash used in investing activities	(1,362,038)	(846,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts of secured bank borrowing and net cash generated from financing activities	16,951,568	–
NET CHANGE IN CASH AND CASH EQUIVALENTS	(314,193)	2,912,548
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,148,270	1,220,705
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(739,83)	15,017
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,760,094	4,148,270

THE NOTES ON PAGES 9 TO 29 FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

PDS Asia Star Corporation Limited was incorporated in Hong Kong as a limited liability company. Its principal activities are garment trading and investment holding. The address of its registered office is 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The directors consider that the immediate holding company is Multinational Textile Group Limited, a company incorporated in Mauritius. During the year, the share capital of the immediate holding company was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited which became the Group's new ultimate holding company. The ultimate holding company was incorporated in India and its shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS(s)") (which also include Hong Kong Accounting Standards ("HKAS(s)") and Interpretations ("Int(s)")) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars ("HK$"), which is also the Company's functional and presentation currency.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note (5) to the consolidated financial statements.

PDS Asia Star Corporation Limited

In 2015, the Group adopted the new and revised HKFRSs below, which are relevant to its operations.

• HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investments Entities
• HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
• HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
• HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
• HK (IFRIC) - Int 21	Levies

The adoption of the above HKFRSs has had no material impact on the principal accounting policies of the Group and the methods of computation in the Group's financial statements. As such, no 2014 comparatives have been amended as a result from adopting the captioned HKFRSs.

b. Impact of issued but not yet effective HKFRSs

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

• HKFRSs (Amendments)	Annual improvements to HKFRSs 2010-2012 Cycle (2)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2011-2013 Cycle (1)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 Cycle (4)
• HKFRS 9	Financial Instruments (6)
• HKFRS 14	Regulatory Deferral Accounts (3)
• HKFRS 15	Revenue from Contracts with Customers (5)
• HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 (6)
• HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations (4)
• HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation (4)
• HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants (4)
• HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions (1)
• HKAS 27 (Amendments)	Equity Method in Separate Financial Statements (4)
• HKAS 28 and HKFRS 10 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)

Notes:

(1) Effective for annual periods beginning on or after July 1, 2014.

(2) Effective for annual periods beginning on or after July 1, 2014, with limited exceptions.

(3) Effective for first annual HKFRS financial statements beginning on or after January 1, 2016.

(4) Effective for annual periods beginning on or after January 1, 2016.

(5) Effective for annual periods beginning on or after January 1, 2017.

(6) Effective for annual periods beginning on or after January 1, 2018.

The directors anticipate that all of the above new and revised standards, amendments or interpretations will be adopted in the Group's consolidated financial statements for the period commencing April 1, 2015 and that the adoption of those new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

c. Going Concern

The holding company has confirmed the willingness to provide such financial assistance as is necessary to maintain the Group as a going concern. On the strength of this assurance, the financial statements have been prepared on a going concern basis.

d. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to March 31. Subsidiary is an entity over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiary is consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balance and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiary have been changes where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the Consolidated Statement of Financial Position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the Consolidated Statement of Comprehensive Income as an allocation of the total profit or loss and total comprehensive income for the year between non controlling interests and the shareholders of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of the controlling and non-controlling interests within consolidated equity to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received recognised directly in equity and attributed to the owners of the Company.

In the Company's Statements of Financial Position the investments in subsidiary is stated at cost less allowance for impairment losses. The results of subsidiary is accounted for by the Company on the basis of dividends received and receivable.

e. Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and aggregate identified impairment loss, if any.

Depreciation is provided to write off the cost less residual value of plant and equipment over its expected useful lives.

Computer equipment	33%
Furniture and fixtures	25% - 33%
Leasehold improvement	33%
Office equipment	33%
Software	33%

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

The gain or loss on disposal of plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the Consolidated Statement of Comprehensive Income.

When assets are sold or otherwise disposed of, their carrying amounts are written off from the consolidated financial statements and any resulting gain or loss is included in the Consolidated Statement of Comprehensive Income.

f. Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

g. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

h. Financial Assets

The Group's financial assets are only classified under loans and receivables category.

i. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortized cost using effective interest method, less any identified impairment losses. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

j. Financial Liabilities

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings or derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities comprise trade and other payables and amounts due to fellow subsidiaries and immediate holding company, and bank borrowing which are subsequently measured at amortized cost, using the effective interest method.

k. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's equity instrument represents its issued share capital and is recorded at the share subscription received/ receivable at the date of issuance of shares.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

m. Translation of Foreign Currency

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

n. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of specific assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income.

The Group is engaged in garment trading and conducts its business outside of Hong Kong. As the income of the Group neither arises in nor is derived from Hong Kong, no Hong Kong profits tax has been provided in these financial statements.

o. Turnover

Turnover represents invoiced amount of sales less discounts and returns.

p. Recognition of Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the bases as follows:

- Revenue from sales of goods is recognised when goods are delivered to buyers.
- Interest income from bank deposit is accrued on a time proportion basis on the principal outstanding and at the rate applicable.
- Commission income is recognised when the services are rendered.
- Other income is recognised on a receipt basis.

q. Borrowing Costs

Interest and other borrowing costs incurred in connection with the borrowing of funds are recognised as expenses in the period in which they are incurred.

r. Retirement Benefit Scheme

The Group participates in Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules.

The MPF Scheme is a defined contribution plan and the Group is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The retirement benefit cost arising from the MPF Scheme charged to the Consolidated Statement of Comprehensive Income represent contribution payable to the funds by the Group in accordance with the rules of the MPF Scheme.

s. Employee Benefits

Employee benefits are all forms of considerations, including wages, salaries, allowances and contribution to retirement benefit scheme payable by the Group in exchange for services rendered by its employees and directors. The employee benefits are classified as staff costs and charged to the Consolidated Statement of Comprehensive Income.

No provision on employee entitlements to annual leave is provided in the financial statements as the directors consider that no material liability would arise as a result of such entitlement in the near future. Sick leave and maternity leave are not recognised until the time of leave.

t. Related Parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or a parent of the Group.

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

u. Financial Risks

The financial risks in connection with the Group's financial instruments include risks as follows.

(i) Market risk includes three types of risk as below:

- **Currency risk:** the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.
- **Fair value interest rate risk:** the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.
- **Price risk:** the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. Market risk embodies not only the potential for loss but also the potential for gain.

(ii) **Credit risk:** the risk that the corresponding party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

(iii) **Liquidity risk (also referred to as funding risk):** the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(iv) **Cash flow interest rate risk:** the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

3. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Group's stability and growth; and

(iii) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

The financial assets of the Group comprise trade and other receivable, deposits, amounts due from fellow subsidiaries, and cash and cash equivalents which are categorized as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the Consolidated and Company Statements of Financial Position or in the corresponding notes to the consolidated financial statements. The financial liabilities of the Group comprise trade and other payables, and amounts due to immediate holding company and fellow subsidiaries which are categorized as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the Consolidated Statement of Financial Position or in the corresponding notes to the consolidated financial statements.

(ii) Financial risk management

The Group's financial risks are limited by the financial management policies and practices described below.

(a) Liquidity risk

As the holding company and fellow subsidiaries have confirmed its willingness to provide continuous financial support to the Group, the management is of the opinion that the Group is adequately protected from the liquidity risk.

(b) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

As the holding company and fellow subsidiaries have confirmed the willingness to provide continuous financial support, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair values of current assets and liabilities

The nominal values of current assets and liabilities are assumed to approximate their fair values.

6. REVENUE, OTHER INCOME AND GAINS

	2015	2014
Revenue recognised during the year/period including revenue arising from:	HK$	HK$
Turnover		
Sales of goods	163,984,147	48,494,059
Other income and gain, net:		
Bank interest income	4,071	1,784
Commission income	504,230	143,654
Exchange diffderences, net	233,595	–
Management fee income	2,921,102	2,176,161
Marketing fee received	–	220,475
Sundry income	1,014,329	285
	4,677,327	2,542,359
Total revenue recognised	168,661,474	51,036,418

7. FINANCE COST

	2015	2014
Bank finance charges	292,850	4,327

8. LOSS BEFORE TAXATION

Loss before taxation is stated after charging and (crediting):

	2015	2014
Depreciation	702,320	383,455
Exchange difference	(233,595)	135,487
Staff costs (including directors' remuneration)		
– Salaries and allowances, net	12,818,687	7,175,071
– Mandatory provident fund contribution	154,604	45,703
– Medical and social welfare contribution	2,260,421	1,273,608
– Staff quarters expenses	50,884	50,550
– Staff training expenses	8,804	11,053
– Staff welfare expenses	40,356	63,756

9. DIRECTORS' REMUNERATION, LOANS AND OTHER MATERIAL INTERESTS

(i) Remuneration of the directors of the Group disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

	2015	2014
Emoluments:		
Acting as directors	–	–
Provision for management services	1,330,032	1,331,193
	1,330,032	1,331,193

(ii) Loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Group and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

Loans, quasi-loans and credit transactions entered into by the Group for a director of the Group or of its holding company or a controlled body corporate of such a director

In the opinion of the directors, the directors or shadow directors, if any, of the Group had no material interests in those significant transactions, arrangements or contracts in relation to the Group's business entered into by the Group or another company in the same group of companies or subsisted during the year.

10. AUDITOR'S REMUNERATION

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follow:

	2015	2014
	HK$	HK$
Auditor's Remuneration	36,279	30,000
Auditor's expenses	3,518	2,909
	39,797	32,909

11. TAXATION

No Hong Kong profits tax has been provided in these financial statements as the income of the Group neither arises in nor is derived from Hong Kong.

12. LOSS ATTRIBUTABLE TO SHAREHOLDERS

Included in the loss of HK$6,184,344 (2014: HK$7,766,670) attributable to shareholders of the Group is a loss of HK$10,058,364 (2014: HK$8,955,331) which is dealt with in the Company's own accounts.

13. PLANT AND EQUIPMENT

GROUP	Computer equipment HK$	Furniture and fixtures HK$	Leasehold improvement HK$	Moter vehicle HK$	Office equipment HK$	Software HK$	Total
Cost							
At 1/4/2013	173,426	140,038	181,530	–	171,015	–	666,009
Additions	105,168	570,673	66,558	–	21,807	82,562	846,768
Exchange realignment	4,350	5,405	4,657	–	4,245	288	18,945
At 31/3/2014	282,944	716,116	252,745	–	197,067	82,850	1,531,722
Additions	125,682	226,306	–	926717	–	83,332	1,362,037
Exchange realignment	(2,541)	(6,544)	(2,017)	–	(1,574)	(966)	(13,642)
At 31/3/2015	406,085	935,878	250,728	926,717	195,493	165,216	2,880,117
Accumulated Depreciation							
At 1/4/2013	11,659	8,752	15,128	–	14,251	–	49,790
Charge for the year	81,120	137,083	83,946	–	65,455	15,851	383,455
Exchange realignment	530	692	660	–	574	55	2,511
At 31/4/2014	93,309	146,527	99,734	–	80,280	15,906	435,756
Charge for the year	121,273	256,213	88,874	128698	65,397	46,865	702,320
Exchange realignment	(1,110)	(2,106)	(1,102)	–	(880)	(298)	(5,496)
At 31/3/2015	213,472	400,634	182,506	128,698	144,797	62,473	1,132,580
Net Book Value							
At 31/3/2015	192,613	535,244	68,222	798,019	50,696	102,743	1,747,537
At 31/3/2014	189,635	569,589	153,011	–	116,787	66,944	1,095,966

14. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$	HK$
Trade receivables (Note (i))	26,650,001	5,064,018
Bills receivables	–	2,772,514
Trade deposit paid	577,979	677,786
Other receivables	2,288,901	1,823,543
	29,516,881	10,337,861

(i) Aging analysis of trade receivables is as follows:

	2015	2014
Neither past due nor impaired	23,910,038	4,982,737
Past due but not impaired	2,739,963	81,281
	26,650,001	5,064,018

15. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

The amounts due from fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayments. No provisions for bad and doubtful debts have been recognised on the amounts due from fellow subsidiaries. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

16. AMOUNTS DUE TO FELLOW SUBSIDIARIES/IMMEDIATE HOLDING COMPANY

The amounts are unsecured, interest-free and have no fixed terms of repayment. The fellow subsidiaries/immediate holding company had agreed not to demand repayment until the Group is financially capable of repayment. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

17. TRADE AND OTHER PAYABLES

	2015	2014
	HK$	HK$
Trade payables (Note (i))	14,715,206	6,747,525
Trade deposit received	645,924	2,518,603
Other payables and accruals	79,484	364,579
	15,440,614	9,630,707

(i) Maturity of the trade payables is as follows:

	2015	2014
Due for payment:		
Not later than one year	14,715,206	6,747,525

18. SECURED BANK BORROWINGS

The carrying amount of the second bank borrowings at the end of reporting period is analyzed as follows:

	2015	2014
Amount repayable within one year:		
Discounted bills loan	16,951,568	–

19. SHARE CAPITAL

	2015		2014	
	No. of Shares	Amount	No. of Shares	Amount
		HK$		HK$
Issued and fully paid Ordinary shares of US$ 1 each				
At March 31	300,000	2,334,000	300,000	2,334,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

PDS Asia Star Corporation Limited

20. COMPANY-LAVEL STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTES	2015	2014
		HK$	HK$
ASSETS			
Non-Current Assets			
Plant and equipment		806,452	15,826
Interest in a subsidiary	(20a)	7,556,598	7,556,598
		8363050	7572424
Current Assets			
Deposit and prepayment		111,723	112,906
Trade and other receivables		27,204,173	6,195,331
Amounts due from fellow subsidiaries		134,769	2,301,174
Bank balances		1,058,152	139,479
		28,058,817	8,748,890
Current Liabilities			
Amounts due to fellow subsidiaries		11,720,821	10,842,495
Amount due to subsidiary	(20b)	7,717,050	3,518,115
Amount due to immediate holding company		6,457,400	6,457,400
Trade and other payables		13,805,728	5,225,640
Secured bank borrowing		16,951,568	–
		56,652,567	26,043,650
Net Current Liabilities		(28,143,750)	(17,294,760)
NET LIABILITIES		(19,780,700)	(9,722,336)
Represented by:			
CAPITAL AND RESERVES			
Share capital		2,334,000	2,334,000
Accumulated losses		(22,114,700)	(12,056,336)
SHAREHOLDERS' DEFICIT		(19,780,700)	(9,722,336)

APPROVED BY THE BOARD OF DIRECTORS ON MAY 20, 2015 AND SIGNED ON BEHALF OF THE BOARD BY:

Sd/-	Sd/-
Pallak SETH	FENG Qing
DIRECTOR	DIRECTOR

(a) Particulars of principal subsidiary

Name of subsidiary	Place of incorporation	Percentage of ownership and voting power	Nature of business
>m"^ýŒ"'¿Œ–f gP–lQøS *	The People's Republic of China	100%	Garment trading

* Not audited by Louis Lai & Luk CPA Limited

(b) The amount due to a subsidiary is interest-free, unsecured and has no fixed repayment terms. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

21. MOVEMENT IN THE RESERVES OF THE COMPANY

	Accumulated Losses
	HK$
At April 1, 2013	(3,101,005)
Total comprehensive expenses for the year	(8,955,331)
At March 31, 2014	(12,056,336)
Total comprehensive expenses for the year	(10,058,364)
At March 31, 2015	(22,114,700)

22. OPERATING LEASE COMMITMENTS

At the emd of reporting period, the Group had the outstanding commitments under its non-cancellable operating leases, which fall due as follows:

	2015	2014
	HK$	HK$
Within one year	693,678	838,760
In second to fifth years inclusive	–	639,678
	693,678	1,478,738

Operating lease payments represent rental payments payable by the Group for its leased premises. Leases are negotiated for an averaged term two to three years.

23. RELATED PARTY TRANSACTIONS

During normal course of business, the Group had the following transactions with the related parties below.

Name of Company	Relationship	Nature of transactions	2015 HK$	2014 HK$
Designed and Sourced Ltd.	Fellow subsidiary	Amount due to	(112,599)	(31,664)
		Commission expenses	939,405	203,383
		Management fee income	(404,229)	(303,420)
DPOD Manufacturing Ltd.	Fellow subsidiary	Amount due from	314	–
		Management fee income	(373,440)	–
GEM Australia Manufacturing Co. Ltd.	Fellow subsidiary	Amount due from	–	332,558
		Management fee income	(233,440)	(305,793)
Global Textiles Group Ltd.	Fellow subsidiary	Consultancy fee	2,580,043	1,641,580
Multinational Textile Group Ltd.	Immediate holding company	Amount due to	(6,457,400)	(6,457,400)
		Management and service fee	816,900	252,819
Nor Europe Manufacturing SL	Fellow subsidiary	Amount due due to	482	–
Nor Europe Manufacturing Co. Ltd.	Fellow subsidiary	Marketing fee received	–	59,809
		Commission expenses	–	149,014
Nor France Manufacturing Co. Ltd.	Fellow subsidiary	Amount due from	–	116,700
		Management fee income	–	(244,292)
Nor Lanka Manufacturing Co. Ltd.	Fellow subsidiary	Amount due from	5,377	–
		Management fee income	(291,750)	–
Norwest Industries Limited	Fellow subsidiary	Amount due to	(10,918,668)	(10,756,213)
		Marketing fee received	–	160,666
		Commission expenses	666,152	914,183
		Commission income	(117,377)	–
		Sample expenses	74,260	–
		Management fee income	(91,206)	(12,089)
Norwest USA Inc	Fellow subsidiary	Amount due from	58,350	58,350
		Management fee income	–	(58,350)
Poeticgem Ltd.	Fellow subsidiary	Amount due to	(620,368)	(54,618)
Poeticgem International Ltd.	Fellow subsidiary	Amount due to	(14,213)	–
		Management and service fee	130,457	–
Simple Approach Ltd.	Fellow subsidiary	Amount due to	(54,491)	–
		Consultancy fee	–	162,500
		Management fee income	(337,131)	–

Name of Company	Relationship	Nature of transactions	2015 HK$	2014 HK$
Techn o Manufacturing Co. Ltd. (formerly kwnon as Sino West Manufacturing Co., Ltd.	Fellow subsidiary	Acmount due from	70,728	354,236
		Management fee income	–	201,060
Spring Near East Manufacturing Co. Ltd.	Fellow subsidiary	Amount due from	–	1,439,300
		Management fee income	(970,944	(937,949)
Zamira Fashion Limited	Fellow subsidiary	Commission expenses	–	27,347
		Management fee income	(233,400	–

24. CURRENCY RISK

(i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of reporting period.

	(Expressed in HKD) 2015				
	CNY	GBP	EUR	USD	Total
Deposit and prepayment	371,325	8,845	–	–	380,170
Trade and other receivables	4,930,680	–	3,197	24,583,004	29,516,881
Trade and other payables	(3,399,465)	–	–	(12,032,650)	(15,432,115)
Cash and cash equivalents	3,384,289	4,380	4,097	257,755	3,650,521
Net exposure arising from recognised assets and liabilities	5,286,829	13,225	7,294	12,808,109	18,115,457

	(Expressed in HKD) 2014				
	CNY	GBP	EUR	USD	Total
Deposit and prepayment	272,824	10,029	–	–	282,853
Trade and other receivables	4,142,530	–	–	6,184,831	10,327,361
Trade and other payables	(4,405,067)	–	–	(5,218,140)	(9,623,207)
Cash and cash equivalents	9,583,26	2,956	2,490	111,828	1,075,600
Net exposure arising from recognised assets and liabilities	968,613	12,985	2,490	1,078,519	2,062,607

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax in response to reasonably possible changes (e.g. ± 10%) in the foreign exchange rates to which the Group has significant exposure at the end of reporting period.

	2015		2014	
	Increase HK$	Decrease HK$	Increase HK$	Decrease HK$
Chinese Yuan (CNY)	441,450	(441,450)	80,879	(80,879)
British Pounds (GBP)	1,104	(1,104)	1,084	(1,084)
Euro Dollars (EUR)	609	(609)	208	(208)
	443,163	(443,163)	82,171	(82,171)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to the Group's exposure to currency risk for the variables.

The stated changes represent Management's assessment of reasonably possible change in foreign exchange rates over the period until the end of next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any change in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on Group's profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2014.

25. BANKING FACILITIES

General banking facilities granted by a bank were secured by the fellow subsidiaries' cash deposit, immediate holding company's corporate guarantee and directors' personal guarantee.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

27. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Company's Board of Director on May 20, 2015.

SACB Holdings Limited

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of SACB Holdings Limited (the "Company") for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is that of investment holding.

Results and dividends

The results for the year ended are shown on page 6.

The directors do not recommend the payment of a dividend for the year under review (2014: NIL).

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial period giving a true and fair view of the state of affairs of the Company and of the statement of profit or loss and other comprehensive income of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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 circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

Auditors

The auditors, Lancasters Chartered Accountants, have indicated their willingness to continue in office and will be automatically reappointed at the Annual Meeting.

By order of the Board

Director Date: 27 May, 2015

SECRETARY'S CERTIFICATE

FOR THE YEAR ENDED 31 MARCH 2015

Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001.

For and on behalf of **KROSS BORDER CORPORATE SERVICES LIMITED**

Company secretary

Date: 27 May, 2015

AUDITORS' REPORT TO THE SHAREHOLDERS OF SACB HOLDINGS LIMITED

Report on the Financial Statements

We have audited the financial statements of SACB Holdings Limited, which comprise the statement of financial position 31 March 2015, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act, 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audi. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audi 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' judement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the 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 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.

Fundamental uncertainties

Going concern

The holding company has confirmed its intention to provide continuing financial support to the Company to enable it to meet its liabilities as they fall due. Consequently, the financial statements have been prapred on a going concern basis. The financial statements do not include any adjustments to the assets and liabilities that would result from a failure to obtain such financial support. We consider that appropriate disclosures have been made (note 17) and our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements on pages 6 to 28 give a true and fair view of the financial position of the Company at 31 March, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act, 2001.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act, 2001

We have no relationship with or interest in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the company as far as it appears from our examination of those recores.

Sd/-
Lancasters
Chartered Accountants
14, Lancaster Court
Lavoquer street
Port Louis
Mauritius
Date : 27 May 2015

Sd/-
Pasram Bissessur FCCA, MBA (UK)
Licensed by FRC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	2015	2014
		USD	USD
Revenue	6	–	–
Expenses		(14,534)	(13,107)
Loss before taxation		(14,534)	(13,107)
Taxation	7	–	–
Loss for the year		(14,534)	(13,107)
Other comprehensive income		–	–
Total comprehensive loss for the year		(14,534)	(13,107)

The notes on pages 10 to 28 form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2015

	NOTE	2015	2014
		USD	USD
Assets			
Investments in associate	8	800,069	800,069
Receivables	9	218,142	397,269
Total non-current assets		1,018,211	1,197,338
Other receivables	10	758,140	507,513
Cash and cash equivalents		33	2,743
Total current assets		758,173	510,256
Total assets		1,776,384	1,707,594
Equity			
Stated capital 11		50,000	50,000
Revenue deficit		(50,524)	(35,990)
Total equity		(524)	14,010
Liabilities			
Loan from holding company	12	1,517,239	1,517,239
Total non-current liabilities		1,517,239	1,517,239
Other payables	13	58,007	54,883
Loan from holding company	12	201,662	121,462
Total current liabilities		259,669	176,345
Total liabilities		1,776,908	1,693,584
Total equity and liabilities		1,776,384	1,707,594

Approved by the Board of Directors on ……………………and signed on its behalf by:

Sd/- Sd/-
Director *Director*

The notes on pages 10 to 28 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2015

	Stated capital USD	Revenue reserves USD	Total USD
Balance at 01 April 2013	50,000	(22,883)	27,117
Total comprehensive loss for the year			
Loss for the year	–	(13,107)	(13,107)
Balance at 31 March 2014	50,000	(35,990)	14,010
Total comprehensive loss for the year			
Loss for the year	–	(14,534)	(14,534)
Balance at 31 March 2015	50,000	(50,524)	(524)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	2015 USD	2014 USD
Cash flows from operating activities		
Loss for the year	(14,534)	(13,107)
Adjustments for:		
Change in other payables	3,124	(860)
Net cash used in operating activities	(11,410)	(13,967)
Cash flows from financing activities		
Loan received from holding company	80,200	191,462
Loan to associate	(71,500)	(179,127)
Repayment of loan to holding company	–	(70,000)
Repayment of loan to related party	–	(1,650)
Repayment of loan by related party	–	75,941
Net cash from financing activities	8,700	16,626
Net movement in cash and cash equivalents	(2,710)	2,659
Cash and cash equivalents at beginning of year	2,743	84
Cash and cash equivalents at end of the year	33	2,743

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. **General information**

The Company was incorporated as a private limited company on 29 March 2006 and was granted a Category 1 Global Business Licence on 31 March 2006. The principal activity of the Company is the holding of investments.

2. **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(a) Statement of compliance

The financial statements have been prepared on a historical cost basis except where stated otherwise.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except that financial assets and financial liabilities are fair valued.

(c) Functional currency and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency and presentation currency.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's 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 estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ending 31 March 2015 is included in the relevant notes as follows:

- Recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

2. **Basis of preparation (continued)**

(d) Use of the estimates and judgement (continued)

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. **Application of new and revised International Financial Reporting Standards (IFRSs)**

3.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year

During the current year, the Company has applied a number of amendments to IFRSs and new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on or after 01 January 2014.

Amendments to IAS 32

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The Company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the financial statements.

Amendments to IAS 36

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the CGU.

Furthermore, the amendments introduce additional disclosure requirements applicable when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by IFRS 13 fair value measurements

The application of the above amendments has had no material impact on the disclosures in the financial statements.

Amendments to IAS 39

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the financial statements.

3.2 Standards issued but not yet adopted

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not effective for the year ended 31 March 2015 and which have not been adopted in these financial statements. The standards and interpretations that are applicable will be adopted in the year in which they become effective.

New or amended standards	Applicability to the company's financial statements	Effecmtive date - annual period beginning on or after:
Defined benefit plans: employee contributions (amendments to IAS 19)	Not applicable	01 January 2015
IFRS 14 – Regulatory deferral accounts	Not applicable	01 January 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	Not applicable	01 January 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	Not applicable	01 January 2016
Agriculture: Bearer plants (amendments to IAS 16 and IAS 41)	Not applicable	01 January 2016
Equity method in separate financial statements (amendments to IAS 27)	Applicable	01 January 2016
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Applicable	01 January 2016
Disclosure initiative (amendments to IAS 1)	Applicable	01 January 2016
Investment entities: Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	Applicable	01 January 2016
IFRS 15 - Revenue from contracts with customers	Applicable	01 January 2017
IFRS 9 – Financial instruments	Applicable	01 January 2018

Equity Method in separate financial statements (amendments to IAS 27)

The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in subsidiaries, associates and joint ventures.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Disclosure initiative (amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Investment Entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)

The amendment to IFRS 10 Consolidated Financial Statements clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity's parent or ultimate parent to prepare consolidated financial statements. The amendment clarifies that this condition is also met where the ultimate parent or any intermediary parent of a parent entity measures subsidiaries at fair value through profit or loss in accordance with IFRS 10 and not only where the ultimate parent or intermediate parent consolidates its subsidiaries.

The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

The amendment to IAS 28 Investments in Associates and Joint Ventures modifies the conditions where an entity need not apply the equity method to its investments in associates or joint ventures to align these to the amended IFRS 10 conditions for not presenting consolidated financial statements. The amendments introduce relief when applying the equity method which permits a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The adoption of the above IFRS shall not have significant impact on the Company's financial statements.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

4. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- available-for-sale equity investments (except on impairment, I which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(b) Revenue recognition

Revenue is recognised as follows:

- Dividend income: when the Company's right to receive payment is established.
- Interest income: as it accrues (taking into account the effective yield on the assets).

(c) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items directly in equity or in OCI.

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also include any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflect the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(d) Investments in associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are shown at cost and provision is only made where, in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

(e) Financial instruments

The Company classifies non-derivative financial assets into the following categories: loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets - Measurement

Loans and receivables - These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) Non-derivative financial liabilities - Measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

SACB Holdings Limited

(f) Share capital

(i) Ordinary shares

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(g) Loan from holding company

Loan from holding company are recognised initially at fair value, net of transaction costs incurred. Loan from holding company subsequently carried at amortised cost: Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

(h) Impairment

(i) Non-derivative financial assets

Financial assets not classified as fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherewise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

(ii) 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 of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control or common significant influence.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

5. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March, 2015	Loans and receivables	Other liabilities USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets not measured at fair value							
Receivables	218,142	–	218,142	–	–	–	–
Other receivables	757,462	–	757,462	–	–	–	–
Cash and cash equivalent	33	–	33	–	–	–	–
	975,637	–	975,637	–	–	–	–
Financial liabilities not measured at fair value							
Loan from holding company	–	1,718,901	1,718,901	–	–	–	–
Other payables	–	58,007	58,007	–	–	–	–
	–	1,776,908	1,776,908	–	–	–	–

31 March, 2014	Loans and receivables	Other liabilities USD	Total USD	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets not measured at fair value							
Receivables	397,269	–	397,269	–	–	–	–
Other receivables	506,835	–	506,835	–	–	–	–
Cash and cash equivalent	2,743	–	2,743	–	–	–	–
	906,847	–	906,847	–	–	–	–
Financial liabilities not measured at fair value							
Loan from holding company	–	1,638,701	1,638,701	–	–	–	–
Other payables	–	54,883	54,883	–	–	–	–
	–	1,693,584	1,693,584	–	–	–	–

(b) Financial risk management

Introduction and preview

Financial instruments carried on the statement of financial position include, receivables, other receivables, cash and cash equivalents, loan from holding company and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are market risk, credit risk and liquidity risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Company's income or the fair value of its holdings of financial instruments.

(i.) *Interest rate risk*
The Company is not significantly exposed to interest rate risk. The income and operating cash flows are substantially independent of changes in market interest rates. The Company's only significant interest-bearing financial asset is cash and cash equivalents which are on a call account.

(ii.) *Currency risk*
All of the Company's financial liabilities are denominated in United States Dollar. Consequently, the Company is not exposed to the risk of foreign currency exchange rates.

(iii.) *Price risk*
The Company is not exposed to commodity price risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations, and arises from the Company's cash and cash equivalents.

The Company also limits its exposure to credit risk by dealing only with counterparties that has a good credit rating and management does not expect counter party to fail to meet its obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk at the reporting date was:

	Carrying Amount	
	2015 USD	2014 USD
Receivables	218,142	397,269
Other receivables	757,462	506,835
Cash and cash equivalents	33	2,743
	975,637	906,847

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

31 March 2015	Within one year USD	One to five years USD	Total USD
Financial liabilities			
Loan from holding company	201,662	1,517,239	1,718,901
Other payables	58,007	-	58,007
Total financial liabilities	259,669	1,517,239	1,776,908

31 March 2014	Within one year USD	One to five years USD	Total USD
Financial liabilities			
Loan from holding company	121,462	1,517,239	1,638,701
Other payables	54,883	-	54,883
Total financial liabilities	176,345	1,517,239	1,693,584

6. **Revenue**

No revenue was generated during the year under review (2014: Nil).

7. **Taxation**

Income tax

The Company is subject to income tax in Mauritius at the rate of 15%. It is however, entitled to a tax credit equivalent to the higher of the foreign tax paid and 80% of the Mauritian tax on its foreign source income.

Deferred tax

A deferred tax asset has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. Tax losses can be carried forward up to a maximum of five years.

	2015 USD	2014 USD
Current year income tax	–	–
Reconciliation of effective tax		
Loss before taxation	(14,534)	(13,107)
Income tax at 15%	(2,180)	(1,966)
Foreign tax credit	1,744	1,572
Deferred tax asset not recognised	436	394
Income tax payable	–	–

8. **Investments in associate**

Investments consist of unquoted shares		
Cost	–	–
At 01 April/ 31 March	800,069	800,069

Name of company	shares	Type of of shares	Number % held	Country of incorporation
Subsidiaries				
GWD Enterprise Limited	Equity	100 A shares and 25 B shares	25	United Kingdom

9. **Receivables**

	2015 USD	2014 USD
Unsecured, interest free loan with no fixed repayment terms	218,142	397,269

10. **Other receivables**

Prepaid expenses	678	678
Loan to associate	757,462	506,835
	758,140	507,513

11. **Stated capital**

50,000 ordinary shares of USD 1 each	50,000	50,000

All shares in issue are fully paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12. **Loan from holding company**

Non current liability		
Unsecured, interest free loan with no fixed repayment terms(see note below)	1,517,239	1,517,239

Note: The above loan is not expected to be repaid within the next twelve months.

Current liability		
Unsecured, interest free loan with no fixed repayment terms	201,662	121,462

13. **Other payables**

Non-trade payables and accured expenses	58,007	54,883

14. **Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control.

Two directors of the Company are deemed to have beneficial interests in the

SACB Holdings Limited

Administration Agreement between the Company, the Administrator and Secretary.

During the year under review, the Company entered into the following related party transactions.

		2015 USD	2014 USD
Transactions during the year:	*Nature*		
Loan to associate – GWD Enterprise Limited	Loan given	(71,500)	(179,127)
Loan to associate – GWD Enterprise Limited	Reallocation of share application monies to loan	(506,835)	–
Loan from holding company – Multinational Textile Group Limited	Loan received	80,200	191,462
Repayment of loan to holding company - Multinational Textile Group Limited	Amount repaid	–	(70,000)
Repayment of loan to related party – Transnational Textile Group Limited	Amount repaid	–	(1,650)
Repayment of loan by related party – Pallas Holdings Limited	Amount repaid	–	75,941
Balances outstanding at 31 March:			
Loan from holding company - Multinational Textile Group Limited	Loan payable	1,718,901	1,638,701
Loan to associate - GWD Enterprise Limited	Loan receivable	757,462	179,127
Loan to related party – FG4 Limited	Loan receivable	218,142	218,142

15. Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group Companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the group. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

16. Exemption from equity accounting

The Company is exempted under paragraph 17 of International Accounting Standards (IAS) 28 – 'Interests in Associates and Joint Ventures' which dispenses it from the need to equity account the investments in GWD Enterprise Limited. The consolidated financial statements will be prepared by Multinational Textile Group Limited. The registered office of Multinational Textile Group Limited is St Louis Business Centre, Cnr Desroches & St Louis Streets, Port-Louis, Mauritius.

17. Going concern

The Company incurred a loss of USD 14,534 for the year ended 31 March 2015 (2014: USD 13,107) and as of that date, the Company's total liabilities exceeded its total assets by USD 524. The holding company confirmed its willingness to provide financial support to the Company to meet its obligations as they fall due for a period of not less than twelve months. Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

18. Holding and ultimate holding company

The Company is a subsidiary of Multinational Textile Group Limited, a Company incorporated in the Republic of Mauritius. The ultimate holding Company was Pearl Global Industries Limited, a Company incorporated in India. On 13 May 2014, following a "Scheme of Arrangement" between Pearl Global Industries Limited and PDS Multinational Fashions Limited, the entire investments held by Pearl Global Industries Limited in Multinational Textile Group Limited has been transferred to PDS Multinational Fashions Limited, a company incorporated in India with its shares listed on The National Stock Exchange of India Limited and Bombay Stock Exchange.

	2015 USD	2014 USD
Revenue	–	–
Expenses		
Accounting and audit fees	4,700	4,970
Administration charges	3,406	2,875
Professional fees	2,925	2,764
License fees	2,070	2,070
Bank charges	760	338
Telephone, fax and courier charges	560	–
Sundries	113	90
	14,534	13,107
Loss before taxation	(14,534)	(13,107)

DPOD MANUFACTURING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the annual audited financial statements of the Company for the year ended March 31, 2015, which were approved by them at the board meeting held on the date of this report.

CHANGE OF NAME

By a special resolution passed on October 1, 2014 and November 12, 2014, the Company has changed its name from DPOD Manufacturing Limited to Techno Manufacturing Limited and from Techno Manufacturing Limited to DPOD Manufacturing Limited respectively.

PRINCIPAL ACTIVITY

The principal activity of the Company is garment trading.

FINANCIAL RESULTS

The results of the Company for the year ended March 31, 2015 and the financial position of the Company as at that date are set out in the annexed financial statements.

DIVIDEND

The directors do not recommend any payments of dividend for the year.

PLANT AND EQUIPMENT

Movements in plant and equipment are set out in the Note (12) to the financial statements.

DIRECTORS

The names of persons who were the directors of the Company during the period beginning with the end of the financial year and ending on the date of this report are as follows:

Birthe SIEMERS

Deepak Kumar SETH

Faiza Habeeb SETH

Pallak SETH

Rajive RANJAN

In accordance with Article 7 of the Company's Articles of Association, the directors retire and, being eligible, offer themselves for re–election.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review for this financial year.

DIRECTORS' INTEREST

Except for the related party transactions as disclosed in Note (20) to the financial statements, no contracts of significance to which the Company, any of its holding companies or its fellow subsidiaries was a party and in which the director had a material interest subsisted at the end of the year or at any time during the year. At no time during the year was the Company, any of its holding companies or its fellow subsidiaries a party to any arrangements to enable the director of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or other body corporate.

AUDITORS

The Company's auditors, Messrs. Louis Lai & Luk CPA Limited, retire and, being eligible, offer themselves for re-appointment.

By Order of the Board
Sd/-
Pallak SETH
Hong Kong, May 20, 2015. Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF DPOD MANUFACURING LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the financial statements of DPOD Manufacturing Limited (the "Company") set out on pages 5 to 23, which comprise the statement of financial position as at March 31, 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with sections 405-407 of the Hong Kong Companies Ordinance (Cap.622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, including the assessment of the risks 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 entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2015 and of the Company's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Sd/-
Louis Lai & Luk CPA Limited
Certified Public Accountants
Luk Wing Hay
Practising Certificate Number P01623
Hong Kong, May 20, 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR EMDED MARCH 31, 2015

	NOTES	1/4/2014 -31/3/2015	2/11/2012 -31/3/2014
		HK$	HK$
REVENUE	(6)	123,856,655	57,333,693
COST OF GOODS SOLD		(107,659,277)	(51,849,627)
GROSS PROFIT		16,197,378	5,484,066
OTHER INCOME AND GAINS, NET	(6)	1,121,852	31,572
DEPRECIATION		(17,087)	–
OTHER OPERATING EXPENSES		(12,814,852)	(4,834,584)
PROFIT FROM OPERATIONS		4,487,291	681,054
FINANCE COSTS	(7)	(547,073)	(295,546)
PROFIT BEFORE TAXATION	(8)	3,940,218	385,508
TAXATION	(11)	–	–
PROFIT FOR THE YEAR/PERIOD		3,940,218	385,508
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		3,940,218	385,508

THE NOTES ON PAGES 9 TO 25 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

DPOD MANUFACTURING LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	NOTES	2015	2014
		HK$	HK$
ASSETS			
Non-Current Assets			
Plant and equipment	(12)	70,796	–
Current Assets			
Inventories	(13)	10,332,207	27,306,531
Prepayment		–	87,883
Amount due from immediate holding company	(14)	–	466,800
Amounts due from fellow subsidiaries	(14)	5,462,107	–
Amount due from a shareholder	(14)	518,646	311,200
Trade and other receivables	(15)	19,086,624	11,017,111
Bank balances		946,127	1,184,651
		36,345,711	40,374,176
Current Liabilities			
Amounts due to fellow subsidiaries	(16)	3,132,789	17,940,180
Amount due to a director	(16)	1,429,010	–
Trade and other payables	(17)	17,417,060	12,304,445
Secured bank borrowings	(18)	9,333,922	8,966,043
		31,312,781	39,210,668
Net Current Assets		5,032,930	1,163,508
NET ASSETS		5,103,726	1,163,508
Represented by:			
CAPITAL AND RESERVES			
Share capital	(19)	778,000	778,000
Retained profits		4,325,726	385,508
SHAREHOLDERS' EQUITY		5,103,726	1,163,508

Approved by the board of Directors on May 20, 2015 and Signed on Behalf of the Board By:

Sd/-
Pallak SETH
Director

Sd/-
Rajive RANJAN
Director

THE NOTES ON PAGES 9 TO 25 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2015

	Share Capital HK$	Retained Profits HK$	Total HK$
Issuance of share capital	77,800	–	77,800
Allotment of share capital	700,200	–	700,200
Total comprehensive income for the period	–	385,508	385,508
At March 31, 2014 and April 1, 2014	778,000	385,508	1,163,508
Total comprehensive income for the year	–	3,940,218	3,940,218
At March 31, 2015	778,000	4,325,726	5,103,726

THE NOTES ON PAGES 9 TO 25 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	1/4/2014 -31/3/2015	2/11/2012 -31/3/2014
		HK$	HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,940,218	385,508
Adjustment for			
Bank interest income		(20)	(7)
Finance costs		547,073	295,546
Depreciation		17,087	–
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		4,504,358	681,047
Decrease/(Increase) in inventories		16,974,324	(27,306,531)
Decrease/(Increase) in prepayment		87,883	(87,883)
Decrease/(Increase) in amount due from immediate holding company		466,800	(466,800)
Increase in amounts due from fellow subsidiaries		(5,462,107)	–
Increase in amount due from a shareholder		(207,446)	(311,200)
Increase in trade and other receivables		(8,069,513)	(11,017,111)
(Decrease)/Increase in amounts due to fellow subsidiaries		(14,807,391)	17,940,180
Increase in amount due to a director		1,429,010	–
Increase in trade and other payables		5,112,615	12,304,445
CASH GENERATED FROM/(USED IN) OPERATIONS		28,533	(8,263,853)
Bank interest received		20	7
Finance costs paid		(547,073)	(295,546)
Net cash used in operating activities		(518,520)	(8,559,392)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment to acquire plant and equipment and net cash used in investing activities		(87,883)	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share		–	778,000
Proceeds from borrowings		367,879	8,966,043
Net cash generated from financing activities		367,879	9,744,043
NET CHANGE IN CASH AND CASH EQUIVALENTS		(238,524)	1,184,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD		1,184,651	–
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		946,127	1,184,651

THE NOTES ON PAGES 9 TO 25 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

DPOD Manufacturing Limited was incorporated in Hong Kong as a limited liability company. Its principal activity is garment trading. The address of its registered office is 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The directors consider that the immediate holding company is Multinational Textile Group Limited, a company incorporated in Mauritius. During the year, the share capital of the immediate holding company was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited which became the Company's new ultimate holding company. The ultimate holding company was incorporated in India and its shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS(s)") (which also include Hong Kong Accounting Standards ("HKAS(s)") and Interpretations ("Int(s)")) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars ("HK$"), which is also the Company's functional and presentation currency.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note (5) to the financial statements.

In 2015, the Company adopted the new and revised HKFRSs below, which are relevant to its operations.

• HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investments Entities
• HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
• HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
• HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
• HK (IFRIC) - Int 21	Levies

The adoption of the above HKFRSs has had no material impact on the principal accounting policies of the Company and the methods of computation in the Company's financial statements. As such, no 2014 comparatives have been amended as a result from adopting the captioned HKFRSs.

b. Impact of issued but not yet effective HKFRSs

The Company has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

• HKFRSs (Amendments)	Annual improvements to HKFRSs 2010-2012 Cycle (2)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2011-2013 Cycle (1)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 Cycle (4)
• HKFRS 9	Financial Instruments (6)
• HKFRS 14	Regulatory Deferral Accounts (3)
• HKFRS 15	Revenue from Contracts with Customers (5)
• HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 (6)
• HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations (4)
• HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation (4)
• HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants (4)
• HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions(1)
• HKAS 27 (Amendments)	Equity Method in Separate Financial Statements(4)
• HKAS 28 and HKFRS 10 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)

Notes:

(1) Effective for annual periods beginning on or after July 1, 2014.

(2) Effective for annual periods beginning on or after July 1, 2014, with limited exceptions.

(3) Effective for first annual HKFRS financial statements beginning on or after January 1, 2016.

(4) Effective for annual periods beginning on or after January 1, 2016.

(5) Effective for annual periods beginning on or after January 1, 2017.

(6) Effective for annual periods beginning on or after January 1, 2018.

The directors anticipate that all of the above new and revised standards, amendments or interpretations will be adopted in the Company's financial statements for the period commencing April 1, 2015 and that the adoption of those new and revised standards, amendments or interpretations will have no material impact on the financial statements of the Company.

c. Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and aggregate identified impairment loss, if any.

Depreciation is provided to write off the cost less residual value of plant and equipment over its expected useful lives.

Office equipment 3 years

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

The gain or loss on disposal of plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the Statement of Comprehensive Income.

When assets are sold or otherwise disposed of, their carrying amounts are written off from the financial statements and any resulting gain or loss is included in the Statement of Comprehensive Income.

d. Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

e. Inventories

Inventories are stated at the lower of cost and net realisbale value.

Cost of raw materials is arrived at by reference to the suppliers' invoiced cost and is in general assigned to individual items on the first-in, first-out basis.

Net realizable value is based on estimated selling prices less any further costs expected to be incurred. When inventories are sold, the carrying amount of those inventories is recognised as an expenses in the year in which the related revenue is recognised.

f. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

g. Financial Assets

Financial assets of the Company are only classified under loans and receivables category.

h. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortized cost using effective interest method, less any identified impairment losses. An impairment loss is recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

i. Financial Liabilities

Financial liabilities of the Company are classified, at initial recognition, as loans and borrowings or derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company's financial liabilities comprise trade and other payables, and amounts due to fellow subsidiaries and a director, which are subsequently measured at amortized cost, using the effective interest method.

j. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The Company's equity instrument represents its issued share capital and is recorded at the share subscription received/receivable at the date of issuance of shares.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

l. Translation of Foreign Currency

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Hong Kong Dollars ("HK$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

m. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of specific assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Statement of Comprehensive Income.

n. Turnover

Turnover represents invoiced amount of sales less discount and returns.

o. Recognition of Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the bases as follows:

- Revenue from sales of goods is recognised when good are delivered to buyers.
- Interest income from bank deposit is accrued on a time proportion basis on the principal outstanding and at the rate applicable.
- Commission income is recognised when services are rendered.
- Sundry income is recognised on a receipt basis.

p. Borrowing Costs

Interest and other borrowing costs incurred in connection with the borrowing of funds are recognised as expenses in the period in which they are incurred.

q. Bank Borrowings

Interest bearing bank loans and overdrafts are initially measured as fair value, and are subsequently measured at amortized cost, using the effective interest method. Any difference between the proceeds (net of transaction costs, if any) and the settlement or redemption of borrowings is recognised over the terms of borrowings in accordance with the Company's policy for borrowing cost as stated in the preceding note.

r. Operating Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease.

s. Related Parties

A related party is a person or entity that is related to the Company.

(A) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or a parent of the Company.

(B) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

t. Financial Risks

The financial risks in connection with the Company's financial instruments include risks as follows.

(i) Market risk includes three types of risk as below:

- Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.
- Fair value interest rate risk: the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.
- Price risk: the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. Market risk embodies not only the potential for loss but also the potential for gain.

(ii) Credit risk: the risk that the corresponding party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

(iii) Liquidity risk (also referred to as funding risk): the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(iv) Cash flow interest rate risk: the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

(i) To safeguard the Company's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Company's stability and growth; and

(iii) To provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

The financial assets of the Company comprise trade and other receivable, deposits, amounts due from immediate holding company, fellow subsidiaries and shareholder, and cash and cash equivalents which are categorized as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the Statements of Financial Position or in the corresponding notes to the financial statements. The financial liabilities of the Group comprise trade and other payables, amounts due to fellow subsidiaries and a director, and secured bank borrowings which are categorized as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the Statement of Financial Position or in the corresponding notes to the financial statements.

(ii) Financial risk management

The Company's financial risks are limited by the financial management policies and practices described below.

(a) Credit risk

The Company has no significant concentrations of credit risk because the creditworthiness of each of the Company's customers has been assessed before any goods are supplied to them on credit. The directors are not aware of any factor indicating that any debtors would not be capable of repaying their outstanding amounts. Accordingly, the directors are of the opinion that the Comapny is adequately protected from the credit risk.

(b) Liquidity risk

As the holding company and fellow subsidiaries have confirmed its willingness to provide continuous financial support to the Company, the management is of the opinion that the Company is adequately protected from the liquidity risk.

(c) Cash flow and fair value interest rate risk

The Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

As the holding company and fellow subsidiaries have confirmed the willingness to provide continuous financial support, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair values of current assets and liabilities

The nominal values of current assets and liabilities are assumed to approximate their fair values.

6. REVENUE, OTHER INCOME AND GAINS

	1/4/2014 -31/3/2015	2/11/2012 -31/3/2014
	HK$	HK$
Revenue recognised during the year/period including revenue arising from:		
Turnover:		
Sales of goods	123,856,655	57,333,693
Other income and gains, net:		
Bank interest income	20	7
Commission income	870,094	-
Sundry income	251,738	31,565
	1,121,852	31,572
Total revenue recognised	124,978,507	57,365,265
	=========	========

7. FINANCE COSTS

Other interest	520,505	196,383
Bill interest	26,568	99,163
	547,073	295,546
	=========	========

8. PROFIT BEFORE TAXATION

	1/4/2014 -31/3/2015	2/11/2012 -31/3/2014
	HK$	HK$
Profit before taxation is stated after charging:		
Depreciation	17,087	-
Rental payment under operating leases	300,433	122,723
Exchange differences, net	282,678	15,948
	=========	========

9. DIRECTORS' REMUNERATION, LOANS AND OTHER MATERIAL INTERESTS

(i) Remuneration of the directors of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

	1/4/2014 -31/3/2015	2/11/2012 -31/3/2014
	HK$	HK$
Emoluments:		
Acting as directors	–	–
Provision for management services	2,204,230	571,830
	2,204,230	571,830
	=========	========

(ii) Loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

Loans, quasi-loans and credit transactions entered into by the Company for a director of the Company or of its holding company or a controlled body corporate of such a director

In the opinion of the directors, the directors or shadow directors, if any, of the Company had no material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company or another company in the same group of companies or subsisted during the year.

Guarantee or security in connection with loans, quasi-loans and credit transactions

In the opinion of the directors, the directors or shadow directors, if any, of the Company had no material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company or another company in the same group of companies or subsisted during the year.

10. AUDITOR'S REMUNERATION

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follow:

	1/4/2014 -31/3/2015	2/11/2012 -31/3/2014
	HK$	HK$
Auditor's remuneration	27,000	18,750
Auditor's expenses	2,958	1,065
	29,958	19,815
	=========	========

11. TAXATION

No Hong Kong profits tax has been provided in the financial statements as the income of the Company neither arises in nor is derived from Hong Kong.

No deferred tax has been recognised in the financial statements on the grounds that the Company has no taxable/deductible temporary differences during the current year/period.

12. PLANT AND EQUIPMENT

	Office Equipment
Cost	HK$
Additions and at 31/3/2015	87,883
Aggregate Depreciation	
Charge for the year and at 31/3/2015	17,087
Net Book Value	
At 31/3/2015	70,796
	========

DPOD MANUFACTURING LIMITED

13. INVENTORIES

	2015	2014
	HK$	HK$
Raw materials	10,223,604	27,306,531
Finished goods	108,603	–
	10,332,207	27,306,531

14. AMOUNTS DUE FROM IMMEDIATE HOLDING COMPANY/ FELLOW SUBSIDIARIES/ A SHAREHOLDER

The amounts are interest free, unsecured and have no fixed repayment terms. No provisions for bad and doubtful debts have been recognised on the amounts due from immediate holding company/fellow subsidiaries/a shareholder. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

15. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$	HK$
Trade receivables (Note (i))	5,237,339	9,841,631
Trade deposit paid and other receivable	13,849,285	1,175,480
	19,086,624	11,017,111

(i) Aging analysis of trade receivables is as follows:

	2015	2014
Neither past due nor impaired	3,571,000	5,485,904
Past due but not impaired	1,666,339	4,355,727
	5,237,339	9,841,631

16. AMOUNTS DUE TO FELLOW SUBSIDIARIES/A DIRECTOR

The amounts are interest free, unsecured and have no fixed repayment terms. The fellow subsidiaries and director had agreed not to demand repayment until the Company is financially capable of repayment. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

17. TRADE AND OTHER PAYABLES

	2015	2014
	HK$	HK$
Trade payables (Note (i))	16,752,773	12,058,123
Trade deposit received and other payable	664,287	246,322
	17,417,060	12,304,445

(i) Maturity of the trade payables is as follows:

	2015	2014
Due for payment:		
Not later than one year	16,632,027	12,058,123
Past due more than one year	120,746	–
	16,752,773	12,058,123

18. SECURED BANK BORROWINGS

The carrying amount of the secured bank borrowings at the end of reporting period is analyzed as follows:

	2015	2014
	HK$	HK$
Amount repayable within one year:		
Discounted bills loan	851,393	8,966,043
Trust receipt loan	8,482,529	–
	9,333,922	8,966,043

19. SHARE CAPITAL

	2015		2014	
	No. of Shares	Amount HK$	No. of Shares	Amount HK$
Issued and fully paid:				
Ordinary shares of US$1 each				
At March 31	100,000	778,000	100,000	778,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20. RELATED PARTY TRANSACTIONS

During normal course of business, the Company had the following transactions with the related parties below.

Name	Relationship	Nature of transactions	1/4/2014 -31/3/2015 HK$	2/11/2012 -31/3/2014 HK$
Simple Approach Ltd., Hong Kong	Fellow subsidiary	- Amount due to	(290,718)	(268,815)
		- Marketing fee paid	–	268,815
		- Management fees	231,058	–
Norwest Industries Ltd., Hong Kong	Fellow subsidiary	- Amount due from/(to)	1,560,438	(9,072,154)
		- Management fees	582,706	–
		- Rent paid	20,352	–
		- Consultancy fees	46,680	–
		- Commission expenses	160,141	–
		- Commission income	151,858	–
		- Sample expenses	68,378	–
Poeticgem Ltd., UK	Fellow subsidiary	- Amount due to	(60,682)	(7,235)
Nor Lanka Manufacturing Ltd., Hong Kong	Fellow subsidiary	- Amount due to	(2,236,025)	(8,591,807)
		- Management fees	3,609,957	–
		- Rent	280,080	122,723
Nor Lanka Manufacturing Colombo Ltd., Sri Lanka	Fellow subsidiary	- Amount due to	(2,095)	(169)
PDS Asia Star Corporation Ltd., Hong Kong	Fellow subsidiary	- Amount due to	(314)	–
		- Management fees	373,440	–
Poeticgem International Ltd., Hong Kong	Fellow subsidiary	- Amount due to	(524,082)	–
		- Management fees	524,082	–
Techno Manufacturing Ltd., Hong Kong	Fellow subsidiary	- Amount due from	3,901,669	–
		- Commission income	392,280	–
Techno Design GmbH, Germany	Fellow subsidiary	- Amount due to	(18,873)	–
Multinational Textile Group Ltd., Mauritius	Immediate holding company	- Amount due from	–	466,800
		- Management fees	313,129	116,700
Design Pod Ltd., Hong Kong	Shareholder	- Amount due from	518,646	311,200
Rajive RANJAN	Director	- Consultancy fees	2,204,230	385,110
		- Amount due to	(1,429,010)	–

21. CURRENCY RISK

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Company manages currency risks, when it is considered significant, by enter into appropriate currency forward contracts.

(i) Exposure to currency risk

The following table details the Company's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong Dollars, translated using the spot rate at the end of reporting period.

	(Expressed in HKD) 2015		
	EUR	USD	GBP
Trade and other receivable	954,597	18,118,797	–
Trade and other payable	–	(17,409,560)	–
Bills payable	(851,393)	(8,482,530)	–
Cash and cash equivalents	174,384	756,523	7,958
Net exposure arising from recognised assets and liabilities	277,588	(7,016,770)	7,958

	(Expressed in HKD) 2014		
	EUR	USD	GBP
Trade and other receivable	–	11,017,111	–
Prepayment	87,883	–	–
Trade and other payable	(6,672)	(12,097,023)	–
Bills payable	–	(8,966,043)	–
Cash and cash equivalents	7,611	1,163,193	8,076
Net exposure arising from recognised assets and liabilities	88,822	(8,882,762)	8,076

(ii) Sensitivity analysis

The following table indicates the approximate change in the Company's profit after tax in response to reasonably possible changes (e.g.±10%) in the foreign exchange rates to which the Company has significant exposure at the end of reporting period.

	2015		2014	
	Increase HK$	Decrease HK$	Increase HK$	Decrease HK$
Euro Dollars (EUR)	**23,179**	**(23,179)**	7,416	(7,416)
British Pounds (GBP)	**664**	**(664)**	674	(674)
United States Dollars (USD)	**–**	**–**	–	–
	23,843	**(23,843)**	8,090	(8,090)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to the Company's exposure to currency risk for the variables.

The stated changes represent Management's assessment of reasonably possible change in foreign exchange rates over the period until the end of next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any change in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on Company's profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2014.

23. INTEREST RATE RISK

	2015	2014
	HK$	HK$
Financial liabilities bearing variable interests:		
Discounted bills loan	**851,893**	8,966,043
Trust receipts loan	**8,482,529**	–
	9,333,922	8,966,043

Should market interest rate on March 31 increase by 10%, the profit or loss for the year would be reduced by a net amount of HK$54,707 (2014: HK$29,555). The carrying amounts of financial assets and financial liabilities measured at amortised cost and the carrying amount of financial liabilities bearing variable interest measure at fair value would not be affected by the assumed 10% increase in interest rates.

24. BANKING FACILITIES

General banking facilities granted by a bank were secured by fellow subsidiaries cash deposit, immediate holding company's corporate guarantee and directors' personal guarantee.

25. CONTINGENT LIABILITIES

(a) The Company had the following contingent liabilities not provided for in the financial statements at the end of reporting period:

	2015	2014
	HK$	HK$
Irrevocable letters of credit	**3,632,551**	–

(b) At the end of reporting period, there were mutual guarantees between the Company and its fellow subsidiary.

26. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Company's Board of Director on May 20, 2015.

SIMPLE APPROACH LIMITED

DIRECTORS' CONSOLIDATED REPORT

The directors present their consolidated report and the annual audited financial statements of the Group for the year ended March 31, 2015, which were approved by them at the board meeting held on the date of this report.

PRINCIPAL ACTIVITY

The principal activity of the Company is garment trading. The principal activity of the subsidiary is set out in Note (20a) to the consolidated financial statements.

FINANCIAL RESULTS

The results of the Company and its subsidiary (the "Group") for the year ended March 31, 2015 and the financial position of the Group and the Company as at that date are set out in the annexed financial statements.

DIVIDEND

The directors do not recommend any payment of dividends for the year.

PLANT AND EQUIPMENT

Movements in plant and equipment are set out in Note (12) to the consolidated financial statements.

DONATIONS

During the financial year, the Group made donations for charitable or other purposes to a total amount HK$4,789.

DIRECTORS

The names of persons who were the directors of the Group during the period beginning with the end of the financial year and ending on the date of this report are as follows:

Sandeep Malhotra
Deepak Burman
Rohit Girotra
Deepak Kumar Seth

In accordance with Article 7 of the Company's Articles of Association, the directors retire and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

BUSINESS REVIEW

By a special resolution passed on September 30, 2014, the Company resolved to dispense the preparation of a business review for the financial year ended March 31, 2015 and every subsequent financial year. Accordingly, the Company is exempted from preparing a business review for this financial year.

DIRECTORS' INTEREST

Except for the related party transactions as disclosed in Note (24) to the consolidated financial statements, no other contracts of significance to which the Group, any of its holding company, its subsidiary or its fellow subsidiaries was a party and in which a director had a material interest subsisted at the end of the year or at any time during the year. At no time during the year was the Group, any of its holding company, its subsidiary or fellow subsidiaries a party to any arrangements to enable the directors of the Group to acquire benefits by means of acquisition of shares in or debentures of the Group or any other body corporate.

AUDITORS

The Company's auditors, Messrs. Louis Lai & Luk CPA Limited, retire and, being eligible, offer themselves for re-appointment.

By Order of the Board
Sd/-
Sandeep Malhotra
Chairman

Hong Kong, May 20, 2015.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIMPLE APPROACH LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Simple Approach Limited (the "Company") and its subsidiary (collectively the "Group") set out on pages 5 to 31, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with sections 405-407 of the Hong Kong Companies Ordinance (Cap.622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated 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, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Sd/-
Louis Lai & Luk CPA Limited
Certified Public Accountants

Luk Wing Hay
Practising Certificate Number P01623
Hong Kong, May 20, 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2015

	Notes	2015 HK$	2014 HK$
REVENUE	(6)	338,047,601	365,016,762
COST OF SALES		(285,429,576)	(306,852,289)
GROSS PROFIT		52,618,025	58,164,473
OTHER INCOME AND GAINS, NET	(6)	18,224,319	22,363,665
GAIN ON DISPOSAL OF PLANT AND EQUIPMENT		1,307	–
EXCESS OF SHARE OF ACQUIRED ASSETS OVER THE PURCHASE CONSIDERATION OF A SUBSIDIARY		–	650,323
SELLING AND DISTRIBUTION COSTS		(17,466,669)	(23,721,079)
DEPRECIATION EXPENSES		(623,464)	(338,188)
STAFF COSTS		(28,020,977)	(31,607,683)
OTHER OPERATING EXPENSES		(22,751,536)	(22,160,351)

	Notes	2015 HK$	2014 HK$
PROFIT FROM OPERATIONS		1,981,005	3,351,160
FINANCE COSTS	(7)	(1,786,748)	(2,100,682)
PROFIT BEFORE TAXATION	(8)	194,257	1,250,478
TAXATION	(11)	(138,307)	(253,935)
PROFIT FOR THE YEAR		55,950	996,543
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified to profit or loss:			
- Exchange difference on translating foreign operations		365,601	44,933
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDER FOR THE YEAR		421,551	1,041,476

The notes on pages 9 to 31 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

	Notes	2015 HK$	2014 HK$
ASSETS			
Non-Current Assets			
Plant and equipment	(12)	975,753	1,434,681
Current Assets			
Inventories	(13)	469,674	–
Deposits and prepayment		1,199,929	785,770
Amount due from an affiliated company	(14)	–	17,978
Amounts due from fellow subsidiaries	(14)	3,600,265	4,644,432
Amount due from a director	(9)	3,762,447	3,373,447
Trade and other receivables	(15)	135,365,162	82,483,880
Tax recoverable		64,140	1,934,040
Cash and bank balances		12,461,409	18,270,769
		156,923,026	111,510,316
Current Liabilities			
Amount due to ultimate holding company	(16)	–	10,698
Amount due to immediate holding company	(16)	985,975	786,785
Amounts due to fellow subsidiaries	(16)	1,844,012	1,701,908
Amount due to a related company	(16)	9,200	–
Trade and other payables	(17)	37,084,696	28,590,876
Secured bank borrowings	(18)	84,396,257	48,640,926
Provision for taxation		54,491	111,207
		124,374,631	79,842,400
Net Current Assets		32,548,395	31,667,916
NET ASSETS		33,524,148	33,102,597
Represented by:			
CAPITAL AND RESERVES			
Share capital	(19)	26,763,200	26,763,200
Translation reserve		410,534	44,933
Retained profits		6,350,414	6,294,464
SHAREHOLDERS' EQUITY		33,524,148	33,102,597

APPROVED BY THE BOARD OF DIRECTORS ON MAY 20, 2015 AND SIGNED ON BEHALF OF THE BOARD BY:

Sd/- Sandeep Malhotra, Director

Sd/- Rohit Girotra, Director

The notes on pages 9 to 31 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2015

	Share Capital HK$	Translation Reserve HK$	Retained Profits HK$	Total HK$
At April 1, 2013	26,763,200	–	5,297,921	32,061,121
Total comprehensive income for the year	–	44,933	996,543	1,041,476
At March 31, 2014 and April 1, 2014	26,763,200	44,933	6,294,464	33,102,597
Total comprehensive income for the year	–	365,601	55,950	421,551
At March 31, 2015	26,763,200	410,534	6,350,414	33,524,148

The notes on pages 9 to 31 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2015

	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	194,257	1,250,478
Adjustments for:		
Depreciation	623,464	338,188
Interest expenses	1,786,748	2,100,682
Bank interest income	(107,021)	(92,981)
Excess of share of acquired assets over the purchase consolidation of a subsidiary	–	(650,323)
Gain on disposal of plant and equipment	(1,307)	–
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,496,141	2,946,044
(Increase)/Decrease in inventories	(469,674)	9,774,354
Increase in deposits and prepayment	(414,159)	(136,447)
(Increase)/Decrease in trade and other receivables	(52,881,282)	51,701,378
Net receipt from/(payment to) affiliated company	17,978	(17,978)
Net receipt from fellow subsidiaries	1,186,271	7,064,783
Net (payment to)/receipt from a director	(389,000)	1,147,985
Net payment to ultimate holding company	(10,698)	(69,047)
Net receipt from/(payment to) immediate holding company	199,190	(19,161,724)
Increase/(Decrease) in trade and other payables	8,493,820	(29,202,696)
Net receipt from a related company	9,200	–
NET CASH (USED IN)/GENERATED FROM OPERATIONS	(41,762,213)	24,046,652
Bank interest received	107,021	92,981
Bank Interest paid	(1,786,748)	(2,100,682)
Hong Kong profits tax refund/(paid)	1,783,345	(2,804,981)
Tax paid in other jurisdiction	(100,264)	(361,763)
Net cash (used in)/generated from operating activities	(41,758,859)	18,872,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(174,966)	(1,272,958)
Net cash outflow from the acquisition of subsidiary	–	(102,442)
Proceeds from disposal of plant and equipment	3,545	–
Net cash used in investing activities	(171,421)	(1,375,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipt from/(payment to) secured bank borrowing and net cash generated from/(used in) financing activities	35,755,331	(13,174,766)
NET CASH IN HAND AND CASH EQUIVALENTS	(6174949)	4,322,041
CASH AND CASH EQUIVALENTS AT BEGINING OF YEAR	18270769	13,894,040
EFFECT OF FOREIGN EXCHANGE RATE CHANGHES	365,589	54,688
CASH AND CASH EQUIVALENTS AT END OF YEAR	12,461,409	18,270,769

The notes on pages 9 to 31 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Simple Approach Limited was incorporated in Hong Kong as a limited liability company. The principal activity of the Group is garment trading. The address of its registered office is 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The directors consider that the immediate holding company is Multinational Textile Group Limited, a company incorporated in Mauritius. During the year, the share capital of the immediate holding company was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited which became the Group's new ultimate holding company. The ultimate holding company was incorporated in India and its shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS(s)") (which also include Hong Kong Accounting Standards ("HKAS(s)") and Interpretations ("Int(s)")) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars ("HK$"), which is also the Company's functional and presentation currency.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note (5) to the consolidated financial statements.

In 2015, the Group adopted the new and revised HKFRSs below, which are relevant to its operations.

• HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investments Entities
• HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
• HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
• HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
• HK (IFRIC) - Int 21	Levies

The adoption of the above HKFRSs has had no material impact on the principal accounting policies of the Group and the methods of computation in the Group's financial statements. As such, no 2014 comparatives have been amended as a result from adopting the captioned HKFRSs.

b. Impact of issued but not yet effective HKFRSs

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

• HKFRSs (Amendments)	Annual improvements to HKFRSs 2010-2012 Cycle [(2)]
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2011-2013 Cycle [(1)]
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 Cycle [(4)]
• HKFRS 9	Financial Instruments [(6)]
• HKFRS 14	Regulatory Deferral Accounts [(3)]
• HKFRS 15	Revenue from Contracts with Customers [(5)]
• HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 [(6)]
• HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations [(4)]
• HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation [(4)]
• HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants [(4)]
• HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions [(1)]
• HKAS 27 (Amendments)	Equity Method in Separate Financial Statements [(4)]
• HKAS 28 and HKFRS 10 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [(4)]

Notes:

(1) Effective for annual periods beginning on or after July 1, 2014.

(2) Effective for annual periods beginning on or after July 1, 2014, with limited exceptions.

(3) Effective for first annual HKFRS financial statements beginning on or after January 1, 2016.

(4) Effective for annual periods beginning on or after January 1, 2016.

(5) Effective for annual periods beginning on or after January 1, 2017.

(6) Effective for annual periods beginning on or after January 1, 2018.

The directors anticipate that all of the above new and revised standards, amendments or interpretations will be adopted in the Group's consolidated financial statements for the period commencing April 1, 2015 and that the adoption of those new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

c. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to March 31. Subsidiary is an entity over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiary is consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balance and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiary have been changes where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the Consolidated Statement of Financial Position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the Consolidated Statement of Comprehensive Income as an allocation of the total profit or loss and total comprehensive income for the year between non controlling interests and the shareholders of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of the controlling and non-controlling interests within consolidated equity to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received recognised directly in equity and attributed to the owners of the Company.

In the Company's Statements of Financial Position the investments in subsidiary is stated at cost less allowance for impairment losses. The results of subsidiary is accounted for by the Company on the basis of dividends received and receivable.

d. Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and aggregate identified impairment loss, if any.

Depreciation is provided to write off the cost less residual value of plant and equipment over its expected useful lives.

Office equipment	20% – 33⅓%
Furniture and fixtures	33⅓%
Computer equipment	30% – 33⅓%
Leasehold improvement	33⅓%
Plant and machinery	33⅓%

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

The gain or loss on disposal of plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the Consolidated Statement of Comprehensive Income.

When assets are sold or otherwise disposed of, their carrying amounts are written off from the financial statements and any gain or loss on the disposal is included in the Consolidated Statement of Comprehensive Income.

e. Inventories

Inventories are stated at the lower of cost and net realisbale value.

Cost of raw materials is arrived at by reference to the suppliers' invoiced cost and is in general assigned to individual items on the first-in, first-out basis.

Net realizable value is based on estimated selling prices less any further costs expected to be incurred. When inventories are sold, the carrying amount of those inventories is recognised as an expenses in the year in which the related revenue is recognised.

f. Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

g. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

h. Financial Assets

Financial assets of the Group are only classified under loans and receivables category.

i. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortized cost using effective interest method, less any identified impairment losses. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

j Financial Liabilities

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings or derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities comprise trade and other payables, and amounts due to fellow subsidiaries and a director, which are subsequently measured at amortized cost, using the effective interest method.

k. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's equity instrument represents its issued share capital and is recorded at the share subscription received/receivable at the date of issuance of shares.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

m. Translation of Foreign Currency

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

m. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable loss for the year. Taxable loss differs from net loss as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable loss, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable loss will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of specific assets and liabilities in a transaction that affects neither the tax loss nor the accounting loss.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income.

n. Turnover

Turnover represents invoiced amount of sales less discounts and returns.

p. Recognition of Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for services provided in the normal course of the Group's business. It is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the bases as follows:

- Revenue from sales of goods is recognised when the goods are delivered to buyer.
- Interest income from bank deposits is accrued on a time proportion basis on the principal outstanding and at the rate applicable.
- Commission income, management fee income and marketing income are recognised when the services are rendered.
- Other income is recognised on a receipt basis.

q. Retirement Benefit Scheme

The Group participates in Mandatory Provident Fund Scheme ("MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme is held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules.

SIMPLE APPROACH LIMITED

The MPF Scheme is a defined contribution plan and the Group is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The retirement benefit costs arising from the MPF Scheme charged to the Consolidated Statement of Comprehensive Income represent contribution payable to the funds by the Group in accordance with the rules of the scheme.

r. Employee Benefits

Employee benefits are all forms of considerations, including wages, salaries, allowances and contribution to retirement benefit scheme payable by the Group in exchange for services rendered by its employees and directors. The employee benefits are classified as staff costs and charged to the Consolidated Statement of Comprehensive Income.

Provision on employees' entitlements to unconsumed annual leaves as of the end of reporting period are not provided in the financial statements as such leaves are not permitted to be carried forward and utilized by the respective employees in the following year. Sick leave and maternity leave are recognised until the time of leave as directors consider that no material liability would arise as a result of such entitlements in the near future.

s. Borrowing Cost

Interest and other borrowing costs incurred in connection with the borrowing of funds are recognised as expenses in the period in which they are incurred.

t. Bank Borrowings

Interest bearing bank loans and overdrafts are initially measured as fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs, if any) and the settlement or redemption of borrowings is recognised over the terms of borrowings in accordance with the Group's policy for borrowing cost as stated in the preceding note.

u. Operating Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease.

v. 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 Group. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements.

W. Related Parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:
  (i) has control or joint control over the Group;
  (ii) has significant influence over the Group; or
  (iii) is a member of the key management personnel of the Group or a parent of the Group.

(B) An entity is related to the Group if any of the following conditions applies:
  (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  (iii) Both entities are joint ventures of the same third party.
  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  (v) The entity is a post–employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  (vi) The entity is controlled or jointly controlled by a person identified in (A).
  (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

u. Financial Risks

The financial risks in connection with the Group's financial instruments include risks as follows.

(i) Market risk includes three types of risk as below:
  - Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.
  - Fair value interest rate risk: the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.
  - Price risk: the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. Market risk embodies not only the potential for loss but also the potential for gain.

(ii) Credit risk: the risk that the corresponding party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

(iii) Liquidity risk (also referred to as funding risk): the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(iv) Cash flow interest rate risk: the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

3. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Group's stability and growth; and

(iii) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. FINANCIAL INSTRUMMENT AND FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

The financial assets of the Group comprise trade and other receivable, deposits, amounts due from ultimate holding company and fellow subsidiaries, and cash and cash equivalents which are categorized as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the Consolidated and Company Statements of Financial Position or in the corresponding notes to the consolidated financial statements. The financial liabilities of the Group comprise trade and other payables, and amounts due to fellow subsidiaries and a director which are categorized as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the Consolidated Statement of Financial Position or in the corresponding notes to the consolidated financial statements.

(ii) Financial risk management

The Group's financial risks are limited by the financial management policies and practices described below:

(a) Credit risk

The Group has no significant concentrations of credit risk because the creditworthiness of each of the Group's customers has been assessed before any goods are supplied to them on credit. The directors are not aware of any factor indicating that any debtors would not be capable of repaying their outstanding amounts. Accordingly, the directors are of the opinion that the Group is adequately protected from the credit risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. As at the end of reporting period, the Group keeps sufficient cash equivalents. Accordingly, the liquidity risk on difficult realization of cash equivalent is immaterial.

(c) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair values of current assets and liabilities

The nominal value of current assets and liabilities are assumed to approximate their fair values.

6. REVENUE, OTHER INCOME AND GAINS

	2015 HK$	2014 HK$
Revenue recognised during the year are as follows:		
Turnover:		
Sale of goods	338,047,601	365,016,762
Other income and gains, net:		
Bank interest income	107,021	92,981
Commission income	13,442,044	8,959,572
Claim and recovery	2,181,603	7,469,039
Management fee income	2,191,617	799,539
Marketing fee income	–	5,019,643
Sundry income	302,034	22,891
	18,224,319	22,363,665
Total revenue recognised	356,271,920	387,380,427

7. FINANCE COSTS

Bank interest paid	1,526,672	1,624,029
Bank finance charges	254,763	476,653
Other interest expenses	5,313	–
	1,786,748	2,100,682

8. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

Depreciation	623,464	338,188
Exchange difference	495,753	934,966
Rental payment under operating leases - properties	1,702,489	1,984,906
Staff costs (including directors' remuneration)		
- Salaries and allowance	26,241,679	29,690,706
- Contribution to retirement benefit scheme - MPF	370,827	438,223
- Director's quarter expenses	1,221,750	1,198,530
- Recruitment expenses	186,721	280,224

9. DIRECTORS' REMUNERATION, LOANS AND OTHER MATERIAL INTERESTS

(i) Remuneration of the directors of the Group disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

	2015 HK$	2014 HK$
Emoluments:		
Acting directors	–	–
Provision for management services	3,440,648	2,641,375
	3,440,648	2,641,375

(ii) Loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Group and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

Loans, quasi-loans and credit transactions entered into by the Group for a director of the Group or of its holding company or a controlled body corporate of such a director

Name of borrower	Relevant director	Outstanding principal: At beginning of year HK$	At end of year HK$	Greatest outstanding HK$	Overdue amount HK$	Provision HK$
Sandeep Malhotra	N/A	3,373,447	3,762,447	3,762,447	–	–

Principal terms: The loans, quasi-loans and credit transactions are interest free, unsecured and have no fixed repayment terms.

Guarantee or security in connection with loans, quasi-loans and credit transactions

In the opinion of the directors, the directors or shadow directors, if any, of the Group had no material interests in those significant transactions, arrangements or contracts in relation to the Group's business entered into by the Group or another company in the same group of companies or subsisted during the year.

10. AUDITOR'S REMUNERATION

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follow:

	2015 HK$	2014 HK$
Auditor's remuneration	107,850	147,123
Auditor's expenses	3,474	3,310
	111,324	150,433

11. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the current year. Profits tax of subsidiary has been provided at the prevailing rate of the country the subsidiary operates.

Hong Kong Profits Tax		
- Current year	96,555	160,695
- Overprovision for previous year	(10,000)	(10,000)
Overseas income tax:		
- Current year	52,018	103,240
- Overprovision for previous year	(266)	–
	138,307	253,935

The tax charge for the year can be reconciled to the profit per Consolidated Statement of Comprehensive Income as follows:

Profit before taxation	194,257	1,250,478
Tax at the domestic income tax rate	54,468	234,166
Tax effect of expenses that are not deductible in determining taxable profit	112,518	11,754
Tax effect of income that are not taxable in determining taxable profit	(806)	(208)
Net tax allowance claimed	(17,607)	18,223
Over-provision for previous year	(10,266)	(10,000)
Taxation expense for the year	138,307	253,935

12. PLANT AND EQUIPMENT

	Office Equipment HK$	Furniture and Fixtures HK$	Computer Equipment HK$	Leasehold Improvement HK$	Plant and Machinery HK$	Total HK$
Cost						
At 1/4/2013	271,393	139,260	506,834	28,600	–	946,087
Additions	334,232	52,683	157,783	728,260	–	1,272,958
Acquisitions of subsidiary	104,133	–	255,510	–	–	359,643
At 31/3/2014 and 1/4/2014	709,758	191,943	920,127	756,860	–	2,578,688
Additions	44,849	–	101,182	22,367	6,568	174,966
Disposal	–	–	(5,754)	–	-	(5,754)
Exchange alignment	(10,247)	–	(25,143)	–	–	(35,390)
At 31/3/2015	744,360	191,943	990,412	779,227	6,568	2,712,510

SIMPLE APPROACH LIMITED

	Office Equipment HK$	Furniture and Fixtures HK$	Computer Equipment HK$	Leasehold Improvement HK$	Plant and Machinery HK$	Total HK$
3 Accumulated Depreciation						
At 1/4/2013	119,307	35,749	358,255	28,597	–	541,908
Charge for the year	127,163	44,620	116,846	49,559	–	338,188
Acquisitions of subsidiary	83,556	–	178,567	–	–	262,123
Exchange alignment	275	–	1,513	–	–	1,788
At 31/3/2014 and 1/4/2014	330,301	80,369	655,181	78,156	–	1,144,007
Charge for the year	178,740	55,919	137,527	250,184	1,094	623,464
Written back on disposal	–	–	(3,516)	–	–	(3,516)
Exchange alignment	(8,463)	–	(18,735)	–	–	(27,198)
At 31/3/2015	500,578	136,288	770,457	328,340	1,094	1,736,757
Net Book Value						
At 31/3/2015	243782	55655	219955	450887	5474	975753
At 31/3/2014	379,457	111,574	264,946	678,704	–	1,434,681

13. INVENTORIES

	2015 HK$	2014 HK$
Finished goods	469,674	–

14. AMOUNTS DUE FROM AN AFFILIATED COMPANY/FELLOW SUBSIDIARIES

The amounts due from an affiliated company/fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayments. No provisions for bad and doubtful debts have been recognised on the amounts due from these companies. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

15. TRADE AND OTHER RECEIVABLES

Trade receivables (Note (i))	102,756,743	44,969,149
Bills receivable	19,820,745	22,275,204
Other receivables	12,787,674	15,239,527
	135,365,162	82,483,880
(i) Aging analysis of trade receivables is as follows:		
Neither past due nor impaired	101,429,468	42,792,541
Past due but not impaired	1,327,275	2,176,608
	102,756,743	44,969,149

Trade receivables are due within 90 days from date of billing.

16. AMOUNTS DUE TO ULTIMATE HOLDING COMPANY/IMMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARIES / A RELATED COMPANY

The amounts due to ultimate holding company/immediate holding company/fellow subsidiaries /a related company are unsecured, interest-free and have no fixed terms of repayment. The ultimate holding company/immediate holding company/fellow subsidiaries/a related company agreed not to demand repayment of the amount due until the Group is financially capable of repayment. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

17. TRADE AND OTHER PAYABLES

Trade payable (Note (i))	30,235,708	23,915,750
Bills payable	3,994,879	2,032,552
Trade deposit received	444,942	223,642
Other payables and accruals	2,409,167	2,418,932
Total	37,084,696	28,590,876
(i) Maturity of the trade payables is as follows:		
Due for payment:		
Not later than one year	30,235,708	23,915,750

18. SECURED BANK BORROWINGS

Discounted bills loan	19,531,276	19,782,721
Trust receipts loan	41,197,644	19,486,688
Term loan	420,120	1,988,568
Factoring loan	23,247,217	7,382,949
	84,396,257	48,640,926

19. SHARE CAPITAL

	2015		2014	
	No. of shares HK$	Amount HK$	No. of shares HK$	Amount HK$
Issued and fully paid:				
Ordinary shares of US$1 each	250,000	1,945,000	250,000	1,945,000
9% redeemable preference shares of US$1 each	3,190,000	24,818,200	3,190,000	24,818,200
At March 31	3,440,000	26,763,200	3,440,000	26,763,200

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20. COMPANY-LAVEL STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTES	2015 HK$	2014 HK$
ASSETS			
Non-Current Assets			
Plant and equipment		910,962	1,362,128
Investment in a subsidiary	(20a)	1,704,341	1,704,341
		2,615,303	3,066,469
Current Assets			
Deposits and prepayment		1,144,272	740,884
Amount due from an affiliated company		–	17,978
Amounts due from fellow subsidiaries		3,600,265	4,644,432
Amount due from a director		3,762,447	3,373,447
Trade and other receivables		130,025,843	82,483,880
Tax recoverable		64,140	1,934,040
Cash and bank balances		11,214,888	14,994,402
Amount due from a subsidiary	(20b)	4,353,415	1,049,615
		154,165,270	109,238,678
Current Liabilities			
Amount due to ultimate holding company		–	10,698
Amount due to immediate holding company		985,975	786,786
Amounts due to fellow subsidiaries		1,702,724	1,548,538
Amount due to a related company		9,200	–
Trade and other payables		36,999,044	28,559,121
Secured bank borrowings		84,396,257	48,640,926
		124,093,200	79,546,069
Net Current Assets		30,072,070	29,692,609
NET ASSETS		32,687,373	32,759,078
Represented by:			
CAPITAL AND RESERVES			
Share capital		26,763,200	26,763,200
Retained profits		5,924,173	5,995,878
SHAREHOLDERS' EQUITY		32,687,373	32,759,078

APPROVED BY THE BOARD OF DIRECTORS ON MAY 20, 2015 AND SIGNED ON BEHALF OF THE BOARD BY:

Sd/-
Sandeep Malhotra
DIRECTOR

Sd/-
Rohit Girotra
DIRECTOR

(a) Particulars of principal subsidiary

Name of subsidiary	Place of incorporation	Percentage of ownership and voting power 2015	2014	Nature of business
Simple Approach (Canada) Limited *	Canada	100%	100%	Garment trading and procures sales orders behalf of a foreign affiliated for a marketing fee

* Not audited by Louis Lai & Luk CPA Limited

(b) The amount due from a subsidiary is interest-free, unsecured and has no fixed repayment terms. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

21. OPERATING LEASE COMMITMENTS

(a) At the end of reporting period, the Group had outstanding commitments under its non-cancellable operating leases, which fall due as follows:

	2015 HK$	2014 HK$
Within one year	1,873,684	940,749
In the second to fifth years inclusive	2,022,916	130,969
	3,896,600	1,071,718

(b) Operating lease arrangements represent rental payable by the Group for its rented premises. Leases are negotiated for a term of one to three years.

22. MOVEMENT IN THE RESERVES OF THE COMPANY

	Retained Profits HK$
At April 1, 2013	5,297,921
Total comprehensive income for the year	697,957
At March 31, 2014 and April 1, 2014	5,995,878
Total comprehensive expense for the year	(71,705)
At March 31, 2015	5,924,173

23. BANKING FACILITIES

General banking facilities granted by a bank were secured by the Group's fixed deposit, fellow subsidiaries' corporate guarantee, ultimate holding and immediate holding companies' corporate guarantee, directors' personal guarantee, bank guarantee and fellow subsidiary's properties.

24. RELATED PARTY TRANSACTIONS

During normal course of business, the Group had the following material transactions with its related parties below.

Name of Company	Relationship	Nature of transaction	2015 HK$	2014 HK$
Pearl Global Industries Ltd., India	Related company [1]	SAP facilities charges Amount due to	53,488 (9,200)	62,046 (10,698)
Global Textile Group Ltd., Mauritius	Fellow subsidiary	Consultancy fee Amount due to	2,373,009 (22,325)	1,499,307 (189,575)
Multinational Textile Group Ltd., Mauritius	Immediate holding company	Management fee Amount due to	1,971,927 (985,975)	1,573,565 (786,786)
Norp Knit Industries Ltd., Bangladesh	Fellow subsidiary	Management fee income Amount due from	– –	(207,289) 963,744
Norwest Industries Ltd., Hong Kong	Fellow subsidiary	Management fee income Rental fee Sampling expense Commission income Commission expenses Consultancy fee SAP facilities charges Amount due from Management fee	(1,960,560) 1,035,000 647,008 (13,108,071) 10,115,883 73,211 58,423 596,892 50,000	– 1,035,000 – (8,873,313) 2,306,557 28,815 61,498 630,414 –
PG Group Ltd., Hong Kong	Fellow subsidiary	Amount due from	–	126,349
Poeticgem Ltd., UK	Fellow subsidiary	Rental fee Commission income Consultancy fee Amount due to	40,207 – 967,849 (1,704,300)	– (86,259) 323,885 (1,358,962)
Zamira Fashion Ltd., Hong Kong	Fellow subsidiary	Management fee income Amount due to	– (17,387)	(171,900) –
FX Import Co. Ltd., UK	Affiliated company	Amount due from	–	17,978
Nor Lanka Manufacturing Ltd., Hong Kong	Fellow subsidiary	Management fee income	–	(257,850)
PDS Asia Star Corporation Ltd., Hong Kong	Fellow subsidiary	Management fee income Management fee Amount due from	– 337,131 54,491	(162,500) – –
Spring Near East Manufacturing Co. Ltd., Hong Kong	Fellow subsidiary	Marketing fee income Amount due from	– 925,594	(925,594) 925,594
DPOD Manufacturing Ltd., Hong Kong	Fellow subsidiary	Marketing fee income Management fee income Amount due from	– (188,537) 290,718	(268,815) – 268,815
Nordelhi Manufacturing Ltd., Hong Kong	Fellow subsidiary	Commission expenses Marketing fee income Amount due from	11,865 – 1,729,518	15,277 (778,000) 1,729,517
Nor Europe Manufacturing Co. Ltd., Hong Kong	Fellow subsidiary	Amount due from	3,052	–

[1] Connected with close family member of the director, Deepak Kumar SETH.

25. CONTINGENT LIABILITIES

(a) The Group had the following contingent liabilities not provided for in the consolidated financial statements at the end of reporting period:

	2015 HK$	2014 HK$
Irrevocable letter of credit	124,138,050	83,420,925

(b) At the end of reporting period, there were mutual guarantees between the Group and its fellow subsidiary.

26. CURRENCY RISK

(i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong Dollars, translated using the spot rate at the end of reporting period.

(Expressed in HKD)
2015

	USD	GBP	EURO	RMB	BDT	CAD	Total
Trade and other receivables	134,478,161	–	–	–	28,086	–	134,506,247
Cash and cash equivalent	10,674,312	230	3,323	–	1,179,767	227,643	12,085,275
Trade and other payables	(35,153,344)	(32,157)	–	(113,782)	(809,074)	(85,652)	(36,194,009)
Bank borrowings	(84,396,257)	–	–	–	–		(84,396,257)
Net exposure arising from recognised assets and liabilities	17,215,477	(31,927)	3,323	(113,782)	398,779	141,991	26,001,256

SIMPLE APPROACH LIMITED

(Expressed in HKD)
2014

	USD	GBP	EURO	RMB	BDT	CAD	AUD	Total
Trade and other receivables	82,430,598	–	–	–	53,282	–	–	82,483,880
Cash and cash equivalent	11,202,230	127,164	8,491	–	807,506	2,611,108	6,961	14,763,460
Trade and other payables	(27,776,428)	–	–	(221,269)	(1,119,438)	–	–	(29,117,135)
Bank borrowings	(48,640,923)	–	–	–	–	–	–	(48,640,926)
Net exposure arising from recognised assets and liabilities	17,215,477	127,164	8,491	(221,269)	(258,650)	2,611,108	6,961	19,489,279

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax in response to reasonably possible changes (e.g.±10%) in the foreign exchange rates to which the Group has significant exposure at the consolidated statement of financial position date.

	2015		2014	
	Increase HK$	Decrease HK$	Increase HK$	Decrease HK$
United States Dollars	–	–	–	–
British Pound	(2,666)	2,666	10,618	(10,618)
Euro Dollars	277	(277)	709	(709)
Chinese Yuan	(9,501)	9,501	(18,476)	18,476
Bangladeshi Taka	33,298	(33,298)	(21,597)	21,597
Canadian Dollar	11,856	(11,856)	218,028	(218,028)
Australian Dollar	–-	–	581	(581)
	33,264	(33,264)	189,863	(189,863)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to the Group's exposure to currency risk for the variables.

The stated changes represent Management's assessment of reasonably possible change in foreign exchange rates over the period until the next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any change in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on Group's profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2014.

27. INTEREST RATE RISK

	2015 HK$	2014 HK$
Financial liabilities bearing variable interests:		
Discounted bills loan	19,531,276	19,782,721
Trust receipts loan	41,197,644	19,486,688
Term loan	420,120	1,988,568
Factoring loan	23,247,217	7,382,949
	84,396,257	48,640,926

Should market interest rate on March 31 increase by 10%, the profit or loss for the year would be reduced by a net amount of HK$149,193 (2014: HK$175,407). The carrying amounts of financial assets and financial liabilities measured at amortised cost and the carrying amount of financial liabilities bearing variable interest measure at fair value would not be affected by the assumed 10% increase in interest rates.

28. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Company's Board of Director on May 20, 2015.

DIRECTORS' CONSOLIDATED REPORT

The directors present their consolidated report and the annual audited financial statements of the Group for the year ended March 31, 2015, which were approved by them at the board meeting held on the date of this report.

PRINCIPAL ACTIVITY

The principal activity of the Company is trading of garment. The principal activity and other particulars of the subsidiary are set out in the Note (20a) to the consolidated financial statements.

FINANCIAL RESULTS

The results of the Company and its subsidiary (the "Group") for the year ended March 31, 2015 and the financial position of the Group and the Company as at that date are set out in the annexed financial statements.

DIVIDEND

The directors do not recommend any payments of dividend for the year.

PLANT AND EQUIPMENT

Movements in plant and equipment are set out in Note (12) to the consolidated financial statements.

DIRECTORS

The names of persons who were the directors of the Group during the period beginning with the end of the financial year and ending on the date of this report are as follows:

Deepak Kumar SETH
Thomas MUELLER
Pallak SETH

In accordance with Article 7 of the Company's Article of Association, all the directors retire and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company, its subsidiaries, holding company or fellow subsidiaries.

BUSINESS REVIEW

By a special resolution passed on September 30, 2014, the Company resolved to dispense the preparation of a business review for the financial year ended March 31, 2015 and every subsequent financial year. Accordingly, the Company is exempted from preparing a business review for this financial year.

DIRECTORS' INTEREST

Except for the related party transactions as disclosed in Note (23) to the consolidated financial statements, no other contracts of significance to which the Group, any of its holding companies or its fellow subsidiaries was a party and in which the director had a material interest subsisted at the end of the year or at any time during the year. At no time during the year was the Group, any of its holding companies or its fellow subsidiaries a party to any arrangements to enable the director of the Group to acquire benefits by means of acquisition of shares in or debentures of the Group or other body corporate.

AUDITORS

The Company's auditors, Messrs. Louis Lai & Luk CPA Limited, retire and, being eligible, offer themselves for re-appointment.

By Order of the Board
Sd/-
Thomas MUELLER
Chairman

Hong Kong, May 8, 2015.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ZAMIRA FASHION LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Zamira Fashion Limited (the "Company") and its subsidiary (collectively referred to as the "Group") set out on pages 5 to 30, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 405-407 of the Hong Kong Companies Ordinance (Cap.622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosure made in Note (2c) to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon continuous financial support from the fellow subsidiaries to support working capital of the Group. The consolidated financial statements do not include any adjustments that may be necessary, should the implementation of such measures become unsuccessful.

We consider that appropriate disclosures have been made and our opinion is not qualified in this respect.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Sd/-
Louis Lai & Luk CPA Limited
Certified Public Accountants
Luk Wing Hay
Practising Certificate Number P01623
Hong Kong, May 8, 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	2015 HK$	2014 HK$
Revenue	(6)	311,969,200	270,638,063
Purchase and Related Costs		(264,570,116)	(237,315,387)
Gross Profit		47,399,084	33,322,676
Other Income and gains, Net	(6)	12,453,807	4,467,834
Staff Cost		(18,118,656)	(16,487,202)
Amortization and Depreciation		(349,242)	(112,632)
Other Operating Expenses		(31,979,031)	(23,947,221)
Profit from Operations		9,405,962	7,243,455
Finance Costs	(7)	(2,837,477)	(4,685,184)
Profit before Taxation	(8)	6,568,485	2,558,271
Taxation	(11)	–	–
Profit for the year		6,568,485	2,558,271
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,568,485	2,558,271

Zamira Fashion Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

	NOTES	2015 HK$	2014 HK$
ASSETS			
Non-Current Assets			
Plant and equipment	(12)	2,064,663	283,982
Current Assets			
Inventories	(13)	13,920,704	–
Deposits and prepayment		1,072,519	685,717
Amount due from ultimate holding company	(14)	–	5,252
Amounts due from fellow subsidiaries	(14)	88,233	2,200,398
Trade and other receivables	(15)	80,307,412	48,650,082
Bank and cash balances		1,427,394	1,777,881
		96,816,262	53,319,330
Current Liabilities			
Amounts due to fellow subsidiaries	(16)	5,178,155	14,381,110
Amount due to a director	(16)	–	352,000
Trade and other payables	(17)	31,833,026	13,383,692
Secured bank borrowings	(18)	66,872,955	37,058,206
		103,884,136	65,175,008
Net Current Liabilities		(7,067,874)	(11,855,678)
NET LIABILITIES		(5,003,211)	(11,571,696)
Represented by:			
CAPITAL AND RESERVES			
Share capital	(19)	1,945,000	1,945,000
Accumulated losses		(6,948,211)	(13,516,696)
SHAREHOLDERS' DEFICIT		(5,003,211)	(11,571,696)

Approved by the Board of Directors on May 8, 2015 and signed on Behalf of the Board By:

Sd/-
Thomas MUELLER
Director

Sd/-
Pallak SETH
Director

The notes on pages 9 to 30 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2015

	Share capital HK$	Accumulated Losses HK$	Total HK$
At April 1, 2013	1,945,000	(16,074,967)	(14,129,967)
Total comprehensive income for the year	–	2,558,271	2,558,271
At March 31, 2014	1,945,000	(13,516,696)	(11,571,696)
Total comprehensive income for the year	–	6,568,485	6,568,485
At March 31, 2015	1,945,000	(6,948,211)	(5,003,211)

The notes on pages 9 to 30 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2015

	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,568,485	2,558,271
Adjustments for:		
Interest income	(573)	(481)
Interest expenses	2,837,477	4,685,184
Depreciation	349,242	112,632
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,754,631	7,355,606
Increase in inventories	(13,920,704)	
Increase in deposits and prepayment	(386,802)	(126,679)
Increase in trade and other receivables	(31,652,779)	(20,650,646)
Net receipts from/(payments to) ultimate holding company	5,252	(1,751)
Net (payments to)/receipts from fellow subsidiaries	(7,090,790)	18,836,813
Net payment to related company	(4,551)	-
Net(payments to)/receipts from a director	(352,000)	186,000
Increase/(Decrease) in trade and other payables	18,449,334	(4,308,392)
NET CASH (USED IN)/GENERATED FROM OPERATIONS	(25,198,409)	1,290,951
Interest received	573	481
Interest paid	(2,837,477)	(4,685,184)
Net cash used in operating activities	(28,035,313)	(3,393,752)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment and net cash used in investing activities	(2,129,923)	(222,526)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts of secured bank borrowings	29,814,749	3,852,602
Repayment of obligations under finance lease		(61,436)
Net cash generated from financing activities	29,814,749	3,791,166
NET CHANGE IN CASH AND CASH EQUIVALENTS	(350,487)	174,888
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,777,881	1,602,993
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,427,394	1,777,881

The notes on pages 9 to 30 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Zamira Fashion Limited was incorporated in Hong Kong as a limited liability company. The principal activity of the Group is trading of garment. The address of its registered office is 10/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. The directors consider that the immediate holding company is Multinational Textile Group Limited, a company incorporated in Mauritius. During the year, the share capital of the immediate holding company was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited which became the Group's new ultimate holding company. The ultimate holding company was incorporated in India and its shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

These consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS(s)") (which also include Hong Kong Accounting Standards ("HKAS(s)") and Interpretations ("Int(s)")) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars ("HK$"), which is also the Company's functional and presentation currency.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note (5) to the consolidated financial statements.

In 2015, the Group adopted the new and revised HKFRSs below, which are relevant to its operations.

• HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investments Entities
• HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
• HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non- Financial Assets
• HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
• HK (IFRIC) - Int 21	Levies

The adoption of the above HKFRSs has had no material impact on the principal accounting policies of the Group and the methods of computation in the Group's financial statements. As such, no 2014 comparatives have been amended as a result from adopting the captioned HKFRSs.

b. **Impact of issued but not yet effective HKFRSs**

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

• HKFRSs (Amendments)	Annual improvements to HKFRSs 2010-2012 Cycle (2)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2011-2013 Cycle (1)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 Cycle (4)
• HKFRS 9	Financial Instruments (6)
• HKFRS 14	Regulatory Deferral Accounts (3)
• HKFRS 15	Revenue from Contracts with Customers (5)
• HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 (6)
• HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations (4)
• HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation (4)
• HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants (4)
• HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions (1)
• HKAS 27 (Amendments)	Equity Method in Separate Financial Statements (4)
• HKAS 28 and HKFRS 10 (Amendments) Investor	Sale or Contribution of Assets between an and its Associate or Joint Venture (4)

Notes:

(1) Effective for annual periods beginning on or after July 1, 2014.

(2) Effective for annual periods beginning on or after July 1, 2014, with limited exceptions.

(3) Effective for first annual HKFRS financial statements beginning on or after January 1, 2016.

(4) Effective for annual periods beginning on or after January 1, 2016.

(5) Effective for annual periods beginning on or after January 1, 2017.

(6) Effective for annual periods beginning on or after January 1, 2018.

The directors anticipate that all of the above new and revised standards, amendments or interpretations will be adopted in the Group's consolidated financial statements for the period commencing April 1, 2015 and that the adoption of those new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements of the Group.

c. **Going Concern**

The fellow subsidiaries have confirmed their willingness to provide such financial assistance as is necessary to maintain the Group as a going concern. On the strength of this assurance, the consolidated financial statements have been prepared on a going concern basis.

d. **Plant and Equipment**

Plant and equipment are stated at cost less accumulated depreciation and aggregate identified impairment loss, if any.

Depreciation is provided to write off the cost less residual value of plant and equipment over its expected useful lives.

Leasehold improvement	3 years
Furniture and fixtures	3 years
Office equipment	3 years
Motor vehicle	3 years

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

The gain or loss on disposal of plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the Consolidated Statement of Comprehensive Income.

When assets are sold or otherwise disposed of, their carrying amounts are written off from the consolidated financial statements and any resulting gain or loss is included in the Consolidated Statement of Comprehensive Income.

e. **Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to March 31. Subsidiary is an entity over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiary is consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balance and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiary have been changes where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the Consolidated Statement of Financial Position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the Consolidated Statement of Comprehensive Income as an allocation of the total profit or loss and total comprehensive income for the year between non controlling interests and the shareholders of the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of the controlling and non-controlling interests within consolidated equity to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received recognised directly in equity.

In the Company's Statements of Financial Position the investments in subsidiary is stated at cost less allowance for impairment losses. The results of subsidiary are accounted for by the Company on the basis of dividends received and receivable.

f. Inventories

Inventories are stated at the lower of cost and net realisbale value.

Cost of raw materials is arrived at by reference to the suppliers' invoiced cost and is in general assigned to individual items on the first-in, first-out basis.

Net realizable value is based on estimated selling prices less any further costs expected to be incurred. When inventories are sold, the carrying amount of those inventories is recognised as an expenses in the year in which the related revenue is recognised.

g. Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

h. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

i. Financial Assets

Financial assets of the Group are only classified under loans and receivables category.

j. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortized cost using effective interest method, less any identified impairment losses. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

k. Financial Liabilities

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings or derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities comprise trade and other payables, and amounts due to fellow subsidiaries and a director, which are subsequently measured at amortized cost, using the effective interest method.

l. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Company's equity instrument represents its issued share capital and is recorded at the share subscription received/receivable at the date of issuance of shares.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

n. Translation of Foreign Currency

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which those entities operate ("the functional currency"). The consolidated financial statements are presented in Hong Kong Dollars ("HK$"), which are the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of specific assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Consolidated Statement of Comprehensive Income.

p. Turnover

Turnover represents invoiced amount of sales less discounts and returns.

q. Recognition of Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the bases as follows:

- Revenue from sales of goods is recognised when the goods are delivered to buyer.
- Interest income from bank deposit is accrued on a time proportion basis on the principal outstanding and at the rate applicable.
- Commission income is recognised in the year when services are rendered.
- Sundry income is recognised on a receipt basis.

r. Borrowing Costs

Interest and other borrowing costs incurred in connection with the borrowing of funds are recognised as expenses in the period in which they are incurred.

s. Bank Borrowings

Interest bearing bank loans and overdrafts are initially measured as fair value, and are subsequently measured at amortized cost, using the effective interest method. Any difference between the proceeds (net of transaction costs, if any) and the settlement or redemption of borrowings is recognised over the terms of borrowings in accordance with the Group's policy for borrowing cost as stated in the preceding note.

t. Operating Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease.

u. Employee Benefits

Employee benefits are all forms of considerations, including wages, salaries, allowances and contribution to retirement benefit scheme payable by the Group in exchange for services rendered by its employees and directors. The employee benefits are classified as staff costs and charged to the Consolidated Statement of Comprehensive Income.

No provision on employee entitlements to annual leave is provided in the consolidated financial statements as the directors consider that no material liability would arise as a result of such entitlement in the near future. Sick leave and maternity leave are not recognised until the time of leave.

v. Retirement Benefit Scheme

The Group participates in Mandatory Provident Fund Scheme ("MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory

Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Pursuant to the rules of the MPF Scheme, each of the employer and employees are required to make contributions to the scheme at rates specified in the rules.

The MPF Scheme is a defined contribution plan and the Group is only obliged to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The retirement benefit cost arising from the MPF Scheme charged to the Consolidated Statement of Comprehensive Income represent contribution payable to the funds by the Group in accordance with the rules of the MPF Scheme.

w. 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 Group. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements.

x. Related Parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:
   (i) has control or joint control over the Group;
   (ii) has significant influence over the Group; or
   (iii) is a member of the key management personnel of the Group or a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:
   (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
   (vi) The entity is controlled or jointly controlled by a person identified in (A).
   (vii) A person identified in (A) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

y. Financial Risks

The financial risks in connection with the Group's financial instruments include risks as follows.

(i) Market risk includes three types of risk as below:
   - Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.
   - Fair value interest rate risk: the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.
   - Price risk: the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. Market risk embodies not only the potential for loss but also the potential for gain.

(ii) Credit risk: the risk that the corresponding party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

(iii) Liquidity risk (also referred to as funding risk): the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(iv) Cash flow interest rate risk: the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

3. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
(ii) To support the Group's stability and growth; and
(iii) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

The financial assets of the Group comprise trade and other receivable, deposits, amounts due from ultimate holding company and fellow subsidiaries, and cash and cash equivalents which are categorized as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the Consolidated and Company Statements of Financial Position or in the corresponding notes to the consolidated financial statements. The financial liabilities of the Group comprise trade and other payables, and amounts due to fellow subsidiaries and a director which are categorized as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the Consolidated Statement of Financial Position or in the corresponding notes to the consolidated financial statements.

(ii) Financial risk management

The Group's financial risks are limited by the financial management policies and practices described below:

(a) Market risk - Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

To manage their foreign exchange risk arising from future commercial transactions, the Group uses forward contracts, transacted with one of fellow subsidiary and charge back to the Group for the gain/loss on foreign exchange contract. The Group is responsible for managing the net position in each foreign currency by using external forward currency contracts.

(b) Credit risk

The Group has no significant concentrations of credit risk because the creditworthiness of each of the Group's customers has been assessed before any goods are supplied to them on credit. The directors are not aware of any factor indicating that any debtors would not be capable of repaying their outstanding amounts. Accordingly, the directors are of the opinion that the Group is adequately protected from the credit risk.

(c) Liquidity risk

As the fellow subsidiaries have confirmed its willingness to provide continuous financial support to the Group, the management is of the opinion that the Group is adequately protected from the liquidity risk.

(d) Cash flow and fair value interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings from a financial institution as disclosed in Note (26).

As the fellow subsidiaries have confirmed the willingness to provide continuous financial support, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair values of current assets and liabilities

The nominal value of current assets and liabilities are assumed to approximate their fair values.

Zamira Fashion Limited

6. REVENUE, OTHER INCOME AND GAINS

	2015 HK$	2014 HK$
Revenue recognised during the year including revenue arising from:		
Turnover:		
Sales of goods	311,969,200	270,638,063
Other income and gains, net:		
Bank interest income	573	481
Commission income	2,566,469	1,885,758
Sundry income	4,046,447	5,096,682
Exchange differences, net	5,840,318	7,484,913
	12,453,807	14,467,834
Total revenue recognised	324,423,007	285,105,897

7. FINANCE COSTS

	2015 HK$	2014 HK$
Bank finance charges	1,481,217	1,417,759
Finance lease interest	–	1,334
Other interest paid	1,351,046	3,233,681
Bank loan interest	5,214	32,410
	2,837,477	4,685,184

8. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging and (crediting):

	2015 HK$	2014 HK$
Depreciation - owned assets	349,242	112,632
Exchange differences, net	(5,840,318)	(7,484,913)
Rental payments under operating leases	1,273,248	1,172,992
Staff costs (including director's remuneration)		
- Salaries and allowance	17,773,425	16,181,437
- MPF contribution	200,817	198,625
- Staff welfare expenses	144,414	107,140

9. DIRECTORS' REMUNERATION, LOANS AND OTHER MATERIAL INTERESTS

(i) Remuneration of the directors of the Group disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

	2015 HK$	2014 HK$
Emoluments:		
Acting as directors	–	–
Provision for management services	1,200,000	1,200,000
	1,200,000	1,200,000

(ii) Loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Group and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

Loans, quasi-loans and credit transactions entered into by the Group for a director of the Group or of its holding company or a controlled body corporate of such a director

Name of borrower	Relevant director	Outstanding principal: At beginning of year HK$	At end of year HK$	Greatest outstanding HK$	Overdue amount HK$	Provision HK$
Pearl Global Industries Ltd.	Deepak Kumar SETH	–	4,551	4,551	–	–

Principal terms: The loans, quasi-loans and credit transactions are interest free, unsecured and have no fixed repayment terms.

Guarantee or security in connection with loans, quasi-loans and credit transactions

In the opinion of the directors, the directors or shadow directors, if any, of the Group had no material interests in those significant transactions, arrangements or contracts in relation to the Group's business entered into by the Group or another company in the same group of companies or subsisted during the year.

10. AUDITOR'S REMUNERATION

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follow:

	2015 HK$	2014 HK$
Auditor's remuneration	99,015	96,414
Auditor's expenses	2,670	2,653
	101,685	99,067

11. TAXATION

No Hong Kong profits tax has been provided in the consolidated financial statements as the assessable profits for the year have been wholly offset by the taxation loss sustained in previous years.

The tax charge for the year can be reconciled to the profit per Consolidated Statement of Comprehensive Income as follows:

	2015 HK$	2014 HK$
Profit before taxation	6,568,485	2,558,271
Tax at the domestic income tax rate	1,083,800	422,114
Tax effect of expenses that are not deductible in determining taxable profit	2,252	18,584
Tax effect of income that are not taxable in determining taxable profit	(95)	(79)
Net tax allowance claimed	(114,746)	(35,357)
Utilization of tax loss previously not recognised	(971,211)	(405,262)
Taxation expense for the year	–	–

At the end of reporting period, the Group has unused tax losses of HK$4,487,368 (2014: HK$10,373,496) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. Tax losses maybe carried forward indefinitely.

12. PLANT AND EQUIPMENT

	Leasehold Improvement HK$	Furniture and Fixtures HK$	Office Equipment HK$	Motor Vehicle HK$	Total HK$
Cost					
At 1/4/2013	1,560,200	416,086	559,006	498,000	3,033,292
Additions	-	58,486	164,040	–	222,526
At 31/3/2014	1,560,200	474,572	723,046	498,000	3,255,818
Additions	301,075	297,196	466,643	1,065,009	2,129,923
At 31/3/2015	1,861,275	771,768	1,189,689	1,563,009	5,385,741
Accumulated Depreciation					
At 1/4/2013	1,550,485	312,812	497,907	498,000	2,859,204
Charge for the year	4,000	60,010	48,622	–	112,632
At 31/3/2014	1,554,485	372,822	546,529	498,000	2,971,836
Charge for the year	15,573	117,935	128,208	87,526	349,242
At 31/3/2015	1,570,058	490,757	674,737	585,526	3,321,078
Net Book Value					
At 31/3/2015	291,217	281,011	514,952	977,483	2,064,663
At 31/3/2014	5,715	101,750	176,517	–	283,982

13. INVENTORIES

	2015 HK$	2014 HK$
Finished goods	13,920,704	–

14. AMOUNTS DUE FROM ULTIMATE HOLDING COMPANY/FELLOW SUBSIDIARIES

The amounts due from ultimate holding company/fellow subsidiaries are interest free, unsecured and have no fixed repayment terms. No provisions for bad and doubtful debts have been recognised on the amounts due. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

15. TRADE AND OTHER RECEIVABLES

	2015 HK$	2014 HK$
Trade receivables (Note 15a)	79,590,035	47,223,950
Bills receivables	–	193,637
Other receivables		
- third parties	712,826	1,232,495
- related company	4,551	–
	80,307,412	48,650,082

(a) Aging analysis of trade receivables is as follows:

	2015 HK$	2014 HK$
Neither past due nor impaired	75,585,656	47,223,950
Past due but not impaired	4,004,379	–
	79,590,035	47,223,950

Trade receivables are due within 30-120 days from date of billing.

16. AMOUNTS DUE TO FELLOW SUBSIDIARIES/A DIRECTOR

Apart from a balance with a fellow subsidiary amounting HK$Nil (2014: HK$11,008,992) which is interest-bearing at a rate of 7.5% per annum, the remaining amounts are interest-free. The amounts due are unsecured and have no fixed repayment terms. The fellow subsidiaries and director had agreed not to demand repayment until the Group is financially capable of repayment. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

17. TRADE AND OTHER PAYABLES

	2015 HK$	2014 HK$
Trade payables (Note 17a)	25,098,406	8,946,379
Accruals	6,734,620	4,437,313
	31,833,026	13,383,692

(a) Maturity of the trade payables is as follows:

	2015 HK$	2014 HK$
Due for payment:		
Not later than one year	25,098,406	8,946,379

18. SECURED BANK BORROWINGS

The carrying amount of the secured bank borrowings at the end of reporting period is analyzed as follows:

	2015 HK$	2014 HK$
Amount repayable within one year:		
Discounted bills loan	175,405	1,143,893
Factoring loan	35,222,515	9,583,438
Trust receipt loan	31,475,035	25,594,875
Term loan	–	736,000
	66,872,955	37,058,206

19. SHARE CAPITAL

	2015		2014	
	No. of Shares HK$	Amount HK$	No. of Shares HK$	Amount HK$
Issued and fully paid:				
Ordinary shares of US$1 each				
At March 31	250,000	1,945,000	250,000	1,945,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2015 HK$	2014 HK$
ASSETS			
Non-Current Assets			
Plant and equipment		2,064,663	283,982
Investment in a subsidiary	(20a)	77,800	–
		2,142,463	283,982
Current Assets			
Inventories		13,920,704	–
Deposits and prepayment		1,072,519	685,717
Amount due from ultimate holding company		–	5,252
Amounts due from fellow subsidiaries		88,233	2,200,398
Trade and other receivables		80,307,412	48,650,082
Bank and cash balances		1,427,394	1,777,881
		96,816,262	53,319,330
Current Liabilities			
Amount due to a subsidiary	(20b)	77,800	–
Amounts due to fellow subsidiaries		5,178,155	14,381,110
Amount due to a director		–	352,000
Trade and other payables		31,833,026	13,383,692
Secured bank borrowings		66,872,955	37,058,206
		103,961,936	65,175,008
Net Current Liabilities		(7,145,674)	(11,855,678)
NET LIABILITIES		(5,003,211)	(11,571,696)
Represented by:			
CAPITAL AND RESERVES			
Share capital		1,945,000	1,945,000
Accumulated losses		(6,948,211)	(13,516,696)
SHAREHOLDERS' DEFICIT		(5,003,211)	(11,571,696)

Approved by the Board of Directors on May 8, 2015 and signed on behalf of the Board by:

Sd/-
Thomas MUELLER
DIRECTOR

Sd/-
Pallak SETH
DIRECTOR

(a) Particulars of principal subsidiary

Name of subsidiary	Place of incorporation	Percentage of ownership and voting power 2015	2014	Nature of business
Zamira Denim Lab Limited *	Hong Kong	100%	–	Not yet commenced business

* Not audited by Louis Lai & Luk CPA Limited

(b) The amount due to a subsidiary is interest-free, unsecured and has no fixed repayment terms. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

21. MOVEMENT IN THE RESERVES OF THE COMPANY

	Accumulated Losses HK$
At April 1, 2013	(16,074,967)
Total comprehensive income for the year	2,558,271
At March 31, 2014	(13,516,696)
Total comprehensive income for the year	6,568,485
At March 31, 2015	(6,948,211)

Zamira Fashion Limited

22. OPERATING LEASE COMMITMENTS

At the end of reporting period, the Group had the outstanding commitments under its non-cancellable operating leases, which fall due as follows:

17. TRADE AND OTHER PAYABLES	2015 HK$	2014 HK$
Within one year	149,523	689,559
In the second to fifth years inclusive	25,047	991,976
	174,570	1,681,535

Operating lease payments represent rental payments payable by the Group for its leased premises. Leases are negotiated for an averaged term two years.

23. RELATED PARTY TRANSACTIONS

During normal course of business, the Group had the following transactions with the related parties below.

Name of Company	Relationship	Nature of transaction	2015 HK$	2014 HK$
Norwest Industries Ltd., Hong Kong	Fellow subsidiary	- Management and service fee	4,285,224	18,672
		- Rental expenses	700,800	764,985
		- Interest expenses	568,293	979,455
		- Commission income	2,063,056	463,611
		- Amount due to	(3,032,448)	(11,008,992)
Poeticgem Ltd., UK	Fellow subsidiary	- Designing expenses	2,314,550	–
		- Commission income	476,094	–
		- Amount due to	(2,145,707)	(71,665)
Simple Approach Ltd., Hong Kong	Fellow subsidiary	- Management and service fee	–	171,900
		- Amount due from	17,387	–
SSY Asia Limited, Hong Kong	Related company [(1)]	- Consultancy fee	600,000	600,000
Pearl Global Industries Ltd., India	Related company [(2)]	- Security system	43,763	–
		- Amount due from	4,551	–
	Ultimate holding company	- Security system	–	50,765
		- Amount due from	–	5,252
Multinational Textile Group Ltd., Mauritius	Immediate holding company	- Management and service fee	956,940	639,889
Nor Europe Manufacturing Co. Ltd., Hong Kong	Fellow subsidiary	- Commission income	27,318	1,253,561
		- Amount due from	70,846	2,200,398
Nor Lanka Manufacturing Ltd., Hong Kong	Fellow subsidiary	- Management and service fee	–	62,932
		- Purchases	–	713,560
		- Amount due to	–	(966,463)
FX Import Co. Ltd., UK	Fellow subsidiary	- Designing expenses	1,178,623	2,334,000
		- Amount due to	–	(2,334,000)
PDS Asia Star Corporation Ltd., Hong Kong	Fellow subsidiary	- Commission income	–	27,347
		- Management and service fee	233,400	–

(1) Connected with Thomas MUELLER who is a controlling director of the captionedcompany.

(2) Connected with close family member of the director, Deepak Kumar SETH.

24. CONTINGENT LIABILITIES

(a) The Group had the following contingent liabilities not provided for in the consolidated financial statements at the end of reporting period:

	GROUP 2015 HK$	2014 HK$
Irrevocable letters of credit	35,580,482	22,795,805

(b) At the end of reporting period, there were mutual guarantees between the Group and its fellow subsidiary.

25. CURRENCY RISK

(i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the Group to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of reporting period.

(Expressed in HK$) 2015

	USD	CHF	EUR	GBP	BDT	RMB	Total
Trade and other receivables	50,824,589	-	29,121,134	–	104,731	3,629	80,054,083
Bank and cash balances	572,549	7,721	84,510	12,825	746,366	–	1,423,971
Trade and other payables	(24,856,155)	–	(1,062,708)	–	(334,230)	–	(26,253,093)
Secured bank borrowings	(43,980,498)	–	(22,892,457)	–	–	–	(66,872,955)
Net exposure arising from recognised assets and liabilities	(17,439,515)	7,721	5,250,479	12,825	516,867	3,629	(11,647,994)

(Expressed in HK$) 2014

	USD	CHF	EUR	GBP	BDT	RMB	Total
Trade and other receivables	6,333,598	193,637	42,057,930	-	-	2,268	48,587,433
Bank and cash balances	417,843	17,853	24,758	14,362	1,302,111	-	1,776,927
Trade and other payables	(8,796,583)	-	(1,150,994)	-	(326,572)	(66,834)	(10,340,983)
Secured bank borrowings	(27,750,003)	-	(8,572,204)	-	-	-	(36,322,207)
Net exposure arising from recognised assets and liabilities	(29,795,145)	211,490	32,359,490	14,362	975,539	(64,566)	3,701,170

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit/loss after tax in response to reasonably possible changes (e.g.±10%) in the foreign exchange rates to which the Group has significant exposure at the end of reporting period.

	2015 Increase HK$	2015 Decrease HK$	2014 Increase HK$	2014 Decrease HK$
Swiss Franc (CHF)	645	(645)	17,659	(17,659)
Euro (EUR)	438,415	(438,415)	2,702,017	(2,702,017)
British Pound (GBP)	1,071	(1,071)	1,199	(1,199)
Bangladeshi Taka (BDT)	43,158	(43,158)	81,458	(81,458)
Chinese Yuan (RMB)	303	(303)	(5,391)	5,391
	483,592	(483,592)	2,796,942	(2,796,942)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to the Group's exposure to currency risk for the variables.

The stated changes represent Management's assessment of reasonably possible change in foreign exchange rates over the period until the next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any change in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on Group's profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2014.

26. INTEREST RATE RISK

	2015 HK$	2014 HK$
Financial liabilities bearing variable interests:		
Discounted bills loan	175,405	1,143,893
Factoring loan	35,222,515	9,583,438
Trust receipts loan	31,475,035	25,594,875
Term loan	–	736,000
	66,872,955	37,058,206

Should market interest rate on March 31 increase by 10%, the profit or loss for the year would be reduced by a net amount of HK$283,748 (2014: HK$468,518). The carrying amounts of financial assets and financial liabilities measured at amortised cost and the carrying amount of financial liabilities bearing variable interest measure at fair value would not be affected by the assumed 10% increase in interest rates.

27. BANKING FACILITIES

General banking facilities granted by a bank were secured by ultimate holding company's, immediate holding company's, fellow subsidiaries', and related company's corporate guarantee, directors' personal guarantee, bank guarantee and fellow subsidiary's properties.

28. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Company's Board of Directors on May 8, 2015.

Nordelhi Manufacturing Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is the trading of garments. There was no significant change in the nature of the Company's principal activity during the year.

Results and dividend

The Company's results for the year ended 31 March 2015 and its state of affairs at that date are set out in the financial statements on pages 4 to 19.

The directors do not recommend the payment of any dividend in respect of the year.

Directors

The directors of the Company during the year were:

Pallak Seth
Deepak Kumar Seth (appointed on 1 April 2014)
Payel Seth (appointed on 1 April 2014)

There being no provision in the Company's articles of association for the retirement of the directors who will continue in office for the ensuing year.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to the directors or their spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in transactions, arrangements or contracts

The directors had no material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

Pallak SETH

Hong Kong

19 May 2015

INDEPENDENT AUDITORS' REPORT

To the members of Nordelhi Manufacturing Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Nordelhi Manufacturing Limited (the "Company") set out on pages 4 to 19, which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

19 May 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	4	8,722,625	56,178,402
Cost of sales		(7,817,318)	(49,659,753)
Gross profit		905,307	6,518,649
Other income and gain	4	150,693	2,576,581
Selling and distribution expenses		(47,816)	(911,554)
Administrative expenses		(2,425,927)	(6,435,884)
Other operating expenses		(83,434)	–
PROFIT/(LOSS) BEFORE TAX	5	(1,501,177)	1,747,792
Income tax credit	7	–	268,087
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(1,501,177)	2,015,879

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
CURRENT ASSETS			
Trade receivables	8	–	9,967,785
Other receivables	9	3,291,144	1,833,051
Cash and cash equivalents		739,847	1,361,222
Total current assets		4,030,991	13,162,058
CURRENT LIABILITIES			
Trade and bills payables		–	7,630,180
Other payables and accruals	10	1,844,458	1,844,168
Total current liabilities		1,844,458	9,474,348
Net assets		2,186,533	3,687,710
EQUITY			
Share capital	11	2,000,000	2,000,000
Retained profits		186,533	1,687,710
Total equity		2,186,533	3,687,710

Nordelhi Manufacturing Limited

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Share capital HK$	Retained profits/ (accumulated losses) HK$	Total equity HK$
At 1 April 2013	2,000,000	(328,169)	1,671,831
Profit and total comprehensive income for the year	–	2,015,879	2,015,879
At 31 March 2014 and at 1 April 2014	2,000,000	1,687,710	3,687,710
Loss and total comprehensive loss for the year	–	(1,501,177)	(1,501,177)
At 31 March 2015	2,000,000	186,533	2,186,533

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Note	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(1,501,177)	1,747,792
Adjustment for an interest income	3	(1)	(4)
		(1,501,178)	1,747,788
Decrease in trade and bills receivables		9,967,785	8,136,005
Increase in other receivables		(1,458,093)	(43,146)
Decrease in trade and bills payables		(7,630,180)	(8,085,108)
Increase in other payables and accruals		290	109,830
Cash generated from/(used in) operations		(621,376)	1,865,369
Interest received		1	4
Net cash flows from/(used in) operating activities		(621,375)	1,865,373
CASH FLOW FROM A FINANCING ACTIVITY			
Repayment of a loan from the immediate holding company		–	(1,128,100)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(621,375)	737,273
Cash and cash equivalents at beginning of year		1,361,222	623,949
CASH AND CASH EQUIVALENTS AT END OF YEAR		739,847	1,361,222
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		739,847	1,361,222

1. CORPORATE INFORMATION

Nordelhi Manufacturing Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the Company was engaged in the trading of garments.

The Company is a wholly-owned subsidiary of Multinational Textile Group Limited, a company incorporated in Mauritius. On 13 May 2014, the share capital of Multinational Textiles Group Limited was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, subsequent to the said share capital transfer, the Company's ultimate holding company changed from Pearl Global Industries Limited to PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs became effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and bills payables and other payables and accruals.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) commission income, in the period in which the sales services are rendered; and

(c) interest income, on an accrual basis using the effective interest method.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements.

(a) Income taxes

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Company carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

(b) Determination of functional currency

In determining the functional currencies of the Company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the Company is determined based on management's assessment of the economic environment in which the Company operate and the Company's process of determining sales prices. Management has assessed that prices are mainly denominated and settled in HK$ and therefore, management concluded that the functional currency of the Company is HK$.

4. REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

An analysis of other income and gain is as follows:

	2015 HK$	2014 HK$
Claims and other recovery	124,458	2,091,436
Commissions received	26,234	372,208
Foreign exchange differences, net	–	112,933
Interest income	1	4
	150,693	2,576,581

5. PROFIT/(LOSS) BEFORE TAX

The Company's profit/(loss) before tax is arrived at after charging/(crediting):

Auditors' remuneration	95,190	94,900
Foreign exchange differences, net	83,434	(112,933)

6. DIRECTORS' REMUNERATION

No directors received any fees or emoluments in respect of their services rendered to the Company during the year (2014: Nil).

7. INCOME TAX

No provision for Hong Kong profits tax has been made for the year as the Company did not generate any assessable profits in Hong Kong during the year. In the prior year, Hong Kong profits tax had been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during that year.

Charge for the year	–	–
Overprovision in prior years	–	(268,087)
	–	(268,087)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the Hong Kong statutory rate to the tax charge at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2015 HK$	2015 %	2014 HK$	2014 %
Profit/(loss) before tax	(1,501,177)		1,747,792	
Tax at the statutory tax rate	(247,694)	(16.5)	288,385	16.5
Adjustments in respect of current tax of prior years	–	–	(268,087)	(15.3)
Income not subject to tax	–	–	(288,385)	(16.5)
Expenses not deductible for tax	247,694	16.5	–	–
Tax at the effective rate	–	–	(268,087)	(15.3)

8. TRADE RECEIVABLES

The Company's trading terms with its customers are mainly on credit. The credit period is generally one month. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 March 2014, the aged analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2014 HK$
Neither past due nor impaired	7,116,609
Past due but not impaired:	
Within 1 month	2,312,834
1 to 2 months	538,342
	9,967,785

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a customer that has a good track record with the Company. Based on past experience, the directors of the Company was of the opinion that no provision for impairment was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

9. OTHER RECEIVABLES

	2015 HK$	2014 HK$
Due from the immediate holding company	287,074	380,434
Due from fellow subsidiaries	3,004,070	1,452,617
	3,291,144	1,833,051

The balances with the immediate holding company and fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

10. OTHER PAYABLES AND ACCRUALS

Other payables	81,251	81,251
Accruals	33,690	33,400
Due to a fellow subsidiary	1,729,517	1,729,517
	1,844,458	1,844,168

Nordelhi Manufacturing Limited

The balance with a fellow subsidiary is unsecured, interest-free and has no fixed terms of repayment.

11. SHARE CAPITAL

Issued and fully paid:

2,000,000 (2014: 2,000,000) ordinary shares	2,000,000	2,000,000

12. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Company had the following transactions with related parties based on mutually agreed terms and conditions during the year:

	2015 HK$	2014 HK$
Ultimate holding company:		
Sales of non-merchandise items	–	235,219
Immediate holding company:		
Management fees paid	93,360	205,205
Fellow subsidiaries:		
Commission received	26,234	372,207
Management fee expenses	1,942,627	4,430,500
Commission expenses	41,085	814,519
IT services fees	–	9,336
Purchases of non-merchandise items	–	951,517

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

At the end of each reporting period, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade receivables, other receivables, cash and cash equivalents, trade and bills payables, and other payables and accruals, approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Company did not have any financial assets and liabilities measured at fair value as at the end of each reporting period.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Foreign currency risk

The Company has transactional currency exposures. Such exposures arise from sales or purchases by the Company in currencies (mainly GBP and Euro) other than the Company's functional currency. The Company mitigates the risk of foreign currency exposure by contracting with customers and suppliers primarily in the Company's functional currency, whenever possible.

The following table demonstrates the sensitivity at the end of each reporting period to a reasonably possible changes in the GBP and Euro exchange rates, with all other variables held constant, of the Company's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in exchange rate %	Decrease/ (increase) in loss before tax HK$
31 March 2015		
If HK$ weakens against GBP	10.0	151,088
If HK$ strengthens against GBP	(10.0)	(151,088)
If HK$ weakens against Euro	10.0	63,958
If HK$ strengthens against Euro	(10.0)	(63,958)
31 March 2014		
If HK$ weakens against GBP	10.0	163,651
If HK$ strengthens against GBP	(10.0)	(163,651)
If HK$ weakens against Euro	10.0	59,623
If HK$ strengthens against Euro	(10.0)	(59,623)

Credit risk

The aggregate carrying amount of trade receivables, other receivables, and cash and cash equivalents, represents the Company's maximum exposure to credit risk in relation to financial assets. The Company's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Company has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from its group companies.

The Company's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of each reporting period.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to its shareholder, return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2015 and 31 March 2014.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the directors on 19 May 2015.

Global Textiles Group Limited

Corporate Data

Directors:

Jayechund Jingree
Sushil Kumar Jogoo
Deepak Kumar Seth
Payel Seth
Pallak Seth
Kevin Yasheel Jingree (alternate to Jayechund Jingree)

Company Secretary:

Kross Border Corporate Services Limited
St Louis Business Centre
Cnr Desroches & St Louis Streets
Port Louis
Republic of Mauritius

Registered office:

St Louis Business Centre
Cnr Desroches & St Louis Streets
Port Louis
Republic of Mauritius

Auditor:

Lancasters
Chartered Accountants
14, Lancaster Court
Lavoquer Street
Port Louis
Republic of Mauritius

Banker:

HSBC Bank (Mauritius) Limited
6th Floor HSBC Centre
18, Cybercity Ebene
Republic of Mauritius

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of Global Textiles Group Limited (the "Company") for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is the holding of investments and of providing consultancy services.

Results and dividend

The results for the year are shown on page 6.

The directors do not recommend the payment of a dividend for the year under review (2014: NIL).

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial period giving a true and fair view of the state of affairs of the Company and of the statement of profit or loss and other comprehensive income of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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 circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

Auditors

The auditors, Lancasters Chartered Accountants, have indicated their willingness to continue in office and will be automatically reappointed at the Annual Meeting.

By order of the Board of Directors

Director

Date:

SECRETARY'S CERTIFICATE FOR THE YEAR ENDED 31 MARCH 2015

Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001.

For and on behalf of **KROSS BORDER CORPORATE SERVICES LIMITED**

Company secretary

Date:....................................

(Not included)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 USD	2014 USD
Revenue	6	3,862,853	5,116,865
Expenses		(3,939,908)	(5,173,534)
Loss from operating activities		(77,055)	(56,669)
Finance income	7	36,478	33,963
Loss before taxation		(40,577)	(22,706)
Taxation	8	–	–
Loss for the year		(40,577)	(22,706)
Other comprehensive income		–	–
Total comprehensive loss for the year		(40,577)	(22,706)

The notes on pages 10 to 30 form part of these financial statements

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Notes	2015 USD	2014 USD
Assets			
Investments in subsidiaries	9	2,575,935	2,500,000
Receivables	10	1,404,056	1,404,056
Total non-current assets		3,979,991	3,904,056
Other receivables	11	323,618	382,997
Tax refund	8	–	1,646
Cash and cash equivalents		30,595	489
Total current assets		354,213	385,132
Total assets		4,334,204	4,289,188
Equity			
Stated capital	12	3,987,266	3,987,266
Revenue reserves		254,826	295,403
Total equity		4,242,092	4,282,669
Liabilities			
Other payables	13	92,112	6,519
Total current liabilities		92,112	6,519
Total equity and liabilities		4,334,204	4,289,188

Approved by the Board of Directors on ....and signed on its behalf by: Director.

The notes on pages 10 to 30 form part of these financial statements

Global Textiles Group Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Stated capital USD	Revenue reserves USD	Total USD
Balance as at 01 April 2013	3,987,266	318,109	4,305,375
Total comprehensive loss for the year			
Loss for the year	–	(22,706)	(22,706)
Balance as at 31 March 2014	3,987,266	295,403	4,282,669
Total comprehensive loss for the year			
Loss for the year	–	(40,577)	(40,577)
Balance as at 31 March 2015	3,987,266	254,826	4,242,092

The notes on pages 10 to 30 form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	2015 USD	2014 USD
Cash flows from operating activities		
Loss before taxation	(40,577)	(22,706)
Adjustments for:		
Change in other receivables	59,379	158,709
Change in other payables	85,593	(3,805)
Net cash from operating activities	104,395	132,198
Tax refund/(paid)	1,646	(2,534)
	106,041	129,664
Cash flows from investing activities		
Acquisition of investments	(75,935)	–
Net cash used in investing activities	(75,935)	–
Cash flows from financing activities		
Repayment to related party	–	(271,846)
Net cash used in financing activities	–	(271,846)
Movement in cash and cash equivalents	30,106	(142,182)
Cash and cash equivalents at beginning of the year	489	142,671
Cash and cash equivalents at end of the year	30,595	489

The notes on pages 10 to 30 form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. **General information**

The Company was incorporated as a private limited Company on 29 March 2006 and was granted a Category 1 Global Business Licence on 31 March 2006. The principal activity of the Company is the holding of investments and of providing consultancy services.

2. **Basis of preparation**

(a) **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) **Basis of measurement**

The financial statements have been prepared on a historical cost basis except where stated otherwise.

(c) **Functional currency and presentation currency**

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency and presentation currency.

(d) **Use of the estimates and judgement**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's 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 estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ending 31 March 2015 is included in the relevant notes as follows:

- Recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. **Application of new and revised International Financial Reporting Standards (IFRSs)**

3.1 **Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year**

During the current year, the Company has applied a number of amendments to IFRSs and new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on or after 01 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27

The amendments define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

As the Company is not an investment entity, the application of the amendments has had no impact on the amounts recognised in the financial statements.

Amendments to IAS 32

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The Company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the financial statements.

Amendments to IAS 36

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the CGU.

Furthermore, the amendments introduce additional disclosure requirements applicable when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by IFRS 13 fair value measurements

The application of the above amendments has had no material impact on the disclosures in the financial statements.

Amendments to IAS 39

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the financial statements.

3.2 Standards issued but not yet adopted

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not effective for the year ended 31 March 2015 and which have not been adopted in these financial statements. The standards and interpretations that are applicable will be adopted in the year in which they become effective.

New or amended standards	Applicability to the company's financial statements	Effective date - annual period beginning on or after:
Defined benefit plans: employee contributions (amendments to IAS 19)	Not applicable	01 January 2015
IFRS 14 – Regulatory deferral accounts	Not applicable	01 January 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	Not applicable	01 January 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	Not applicable	01 January 2016
Agriculture: Bearer plants (amendments to IAS 16 and IAS 41)	Not applicable	01 January 2016
Equity method in separate financial statements (amendments to IAS 27)	Applicable	01 January 2016
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Applicable	01 January 2016
Disclosure initiative (amendments to IAS 1)	Applicable	01 January 2016
Investment entities: Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	Applicable	01 January 2016
IFRS 15 - Revenue from contracts with customers	Applicable	01 January 2017
IFRS 9 – Financial instruments	Applicable	01 January 2018

Equity Method in separate financial statements (amendments to IAS 27)

The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in subsidiaries, associates and joint ventures.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

3. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

3.2 Standards issued but not yet adopted (continued) Sale or contribution of assets between an investor and its associate or joint venture
(amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Disclosure initiative (amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

Investment Entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)

The amendment to IFRS 10 Consolidated Financial Statements clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity's parent or ultimate parent to prepare consolidated financial statements. The amendment clarifies that this condition is also met where the ultimate parent or any intermediary parent of a parent entity measures subsidiaries at fair value through profit or loss in accordance with IFRS 10 and not only where the ultimate parent or intermediate parent consolidates its subsidiaries.

The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

The amendment to IAS 28 Investments in Associates and Joint Ventures modifies the conditions where an entity need not apply the equity method to its investments in associates or joint ventures to align these to the amended IFRS 10 conditions for not presenting consolidated financial statements. The amendments introduce relief when applying the equity method which permits a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The adoption of the above IFRS shall not have significant impact on the Company's financial statements.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- available-for-sale equity investments (except on impairment, I which case foreigncurrency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(b) Revenue recognition

Revenue is recognised as follows:

- Dividend income: when the Company's right to receive payment is established.
- Marketing and consultancy income are accounted for as it accrues

(c) Finance income and finance costs

The Company's finance income include interest income.

(d) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss to the extent that it relates to a business combination, or items directly in equity or in OCI.

Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also include any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflect the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(e) Investment in subsidiary

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiary is shown at cost and provision for impairment is only made where, in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

(f) Financial instruments

The Company classifies non-derivative financial assets into loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – Recognition and derecognition

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets - Measurement

Loans and receivables - These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) Non-derivative financial liabilities - Measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(g) Share capital

(i) Ordinary shares

Ordinary shares are classified in equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(h) Impairment

(i) Non-derivative financial assets

Financial assets not classified as fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherewise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

(ii) 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 of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

(h) Impairment (continued)

(ii) Non-financial assets (continued)

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control or common significant influence.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

5. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilitiesnot measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts			Fair value			
31 March 2015	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD
Financial assets not measured at fair value							
Receivables	1,404,056	–	1,404,056	–	–	–	–
Other receivables	322,940	–	322,940	–	–	–	–
Cash and cash equivalent	30,595	–	30,595	–	–	–	–
	1,757,591	–	1,757,591	–	–	–	–
Financial liabilities not measured at fair value							
Other payables	92,112	–	92,112	–	–	–	–
Carrying amounts	Fair value						
31 March 2014							
Financial assets not measured at fair value							
Receivables	1,404,056	–	1,404,056	–	–	–	–
Other receivables	382,319	–	382,319				
Cash and cash equivalent	489	–	489	–	–	–	–
	1,786,864	–	1,786,864	–	–	–	–
Financial liabilities not measured at fair value							
Other payables	6,519	–	6,519	–	–	–	–

(b) Financial risk management

Introduction and preview

Financial instruments carried on the statement of financial position include receivables, other receivables, cash and cash equivalents and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are market risk, credit risk and liquidity risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews their risk management policies and systems to reflect changes in markets and emerging best practice.

Risk management is carried out by the Board of directors through board meetings. The Company provide principles for overall risk management.

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant exposure to interest rate risk.

(ii) Currency risk

The Company has certain financial instruments denominated in GBP. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to GBP may change in a manner, which has a material effect on the reported values of the Company's assets and liabilities, which are denominated in USD.

Currency profile

	Financial assets 2015 USD	Financial iabilities 2015 USD	Financial assets 2014 USD	Financial liabilities 2014 USD
USD	803,932	16,177	840,194	6,519
GBP	953,659	75,935	946,670	–
	1,757,591	92,112	1,786,864	6,519

Sensitivity Analysis:

A 10 % strengthening of USD against the GBP at 31st March 2015 would have increased net profit before tax by SD 87,772 (2014: USD 94,667). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in 2014.

Currency	2015 USD	2014 USD
GBP	87,772	94,667

Similarly a 10% weakening of the USD against the GBP at 31 March 2015 would have had the exact reverse effect.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions through companies within the group. At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk at the reporting date was:

	2015 USD	2014 USD
Receivables	1,404,056	1,404,056
Other receivables	322,940	382,319
Cash and cash equivalents	30,595	489
	1,757,591	1,786,864

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

31 March 2015	Within one year USD	One to five years USD	Total USD
Financial liabilities			
Other payables	92,112	–	92,112
31 March 2014	USD	USD	USD
Financial liability			
Other payables	6,519	–	6,519

6. **Revenue**

Revenue consists of:

	2015 USD	2014 USD
Marketing income	3,531,253	4,831,865
Consultancy income	331,600	285,000
	3,862,853	5,116,865

7. **Finance income**

Finance Income		
Interest received on loan	36,478	33,963

8. **Taxation**

The Company is subject to income tax in Mauritius at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of the foreign tax paid and a deemed credit of 80% of the Mauritian tax on its foreign source income.

The reconciliation of the actual tax charge with the effective tax charge is as follows:

Recognised in statement of profit or loss and other comprehensive income		
Current year income tax	–	–

8. **Taxation (continued)**

Reconciliation of effective taxation		
Loss before taxation	(40,577)	(22,706)
Income tax at 15%	(6,086)	(3,406)
Non-allowable expenses	65	–
Foreign tax credit	4,817	2,725
Deferred tax asset not recognised	1,204	681
Income tax as per statement of profit or loss and other comprehensive income	–	–
Less tax paid under APS	–	(1,646)
Current tax assets	–	(1,646)

9. **Investments in subsidiaries**

Investments consist of unquoted shares

Cost		
At 01 April	2,500,000	2,500,000
Addition during the year	75,935	–
Balance as at 31 March	2,575,935	2,500,000

Name of company	Type of shares	Number of shares	% held	Country of incorporation
Poeticgem Limited	Equity	50,000	100	United Kingdom
Poetic Brands Limited	Equity	50,000	100	United Kingdom

At the reporting date, the directors have reviewed the carrying amounts of the investments in subsidiaries and considered that no provision for impairment is required for the year under review.

10. **Receivables**

	2015 USD	2014 USD
Unsecured, interest free loan with no fixed repayment terms	1,044,056	1,044,056
Unsecured, interest rate 9% per annum with no fixed repayment terms	360,000	360,000
	1,404,056	1,404,056

11. **Other receivables**

Non-trade receivables	322,940	382,319
Prepayments	678	678
	323,618	382,997

12. **Stated capital**

3,987,266 ordinary shares of USD 1 each	3,987,266	3,987,266

All shares in issue are fully paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13. **Other payables**

Non-trade payables and accrued expenses	92,112	6,519

14. **Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control.

One director of the Company is deemed to have beneficial interests in the Administration Agreement between the Company, the Administrator and Secretary.

During the year under review, the Company entered into the following related party transactions.

Transactions during the year	Nature	2015 USD	2014 USD
Multinational Textiles Group Limited	Consultancy fee accrued	–	69,330
Norwest Industries Limited	Marketing fees accrued	2,954,894	4,170,834
Norwest Industries Limited	Marketing fees received	2,992,615	4,357,204
PDS Asia Star Corp Limited	Consultancy fees accrued	331,600	211,000
PDS Asia Star Corp Limited	Consultancy fees received	331,600	211,000
PG Group	Marketing fees accrued	271,345	395,318
PG Group	Marketing fees received	271,345	395,318
Simple Approach Limited	Marketing fees accrued	305,014	192,713
Simple Approach Limited	Marketing fees received	313,658	268,346
Poeticgem Limited	Interest accrued	36,478	33,963
Poeticgem Limited	Interest received	29,488	–
Poetic Brands Limited	Capital contribution	75,935	–
Pearl Global (HK) Limited	Corporate Service fees paid	–	210,299

Pallas Holdings Limited	Interest repaid	–	61,047
Transnational Textile Group Ltd	Advance repaid	–	500

Balances outstanding at 31 March:

Multinational Textiles Group Ltd	Loan receivable	**500,000**	500,000
Multinational Textiles Group Limited	Consultancy fees receivable	**49,327**	69,330
Norwest Industries Limited	Marketing fees receivable	**208,287**	246,008
Simple Approach Limited	Marketing fees receivable	**15,723**	24,367
Poeticgem Limited	Loan receivable	**904,056**	904,056
Poeticgem Limited	Interest receivable	**49,603**	42,613
Poetic Brands Limited	Amount payable	**75,935**	–

15. Capital management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group Companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the group. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

16. Exemption from preparing consolidated financial statements

The Company is a wholly owned subsidiary of Multinational Textile Group Limited and has taken advantage of paragraph 4 of International Financial Reporting Standards (IFRS 10) – 'Consolidated Financial Statements', which dispenses it from the need to present consolidated financial statements. The registered office of Multinational Textile Group Limited where the consolidated financial statements are available is St Louis Business Centre, Cnr Desroches & St Louis Streets, Port-Louis, Mauritius.

17. Holding and ultimate holding company

The Company is a wholly owned subsidiary of Multinational Textile Group Limited, a Company incorporated in the Republic of Mauritius. The ultimate holding Company was Pearl Global Industries Limited, a Company incorporated in India. On 13 May 2014, following a "Scheme of Arrangement" between Pearl Global Industries Limited and PDS Multinational Fashions Limited, the entire investments held by Pearl Global Industries Limited in Multinational Textile Group Limited has been transferred to PDS Multinational Fashions Limited, a company incorporated in India with its shares listed on The National Stock Exchange of India Limited and Bombay Stock Exchange.

	2015 USD	2014 USD
Revenue		
Marketing income	**3,531,253**	4,831,865
Consultancy income	**331,600**	285,000
	3,862,853	5,116,865
Expenses		
Consultancy fees	**3,908,869**	5,141,678
Audit and accounting fees	**14,700**	14,700
Professional fees	**8,440**	10,740
Administration charges	**3,406**	2,875
Bank charges	**2,147**	1,471
Licence fees	**2,070**	2,070
Sundries	**178**	–
Telephone, fax and courier charges	**98**	–
	3,939,908	5,173,534
Loss before taxation	**(77,055)**	(56,669)
Finance income	**36,478**	33,963
Loss before taxation	**(40,577)**	(22,706)

Poeticgem Limited

COMPANY INFORMATION

Directors	Mr Anuj Banaik
	Mrs Payel Seth
Secretary	Mr Krishna Kanodia
Company Number	02608346
Registered Office	Quadrant House - Floor 6
	4 Thomas More Square
	London
	E1W 1YW
Auditor	UHY Hacker Young LLP
	Quadrant House
	4 Thomas More Square
	London
	E1W 1YW

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

Principal activities

The company's principal activity is the import and distribution of garments.

Fair review of the business

The results for the year and the financial position at the year end for the company were considered satisfactory by the directors who expect continued growth in the foreseeable future.

The company's key performance indicators are measured by reference to maintaining growth in revenue and net profit. Revenue has increased by £16,581,103 (77%) despite tough market conditions. Profit before tax in 2014 of £948,402 has increased to £1,512,188 due to a capital gain on the sale of an investment in a subsidiary company.

Other key financial performance indicators can be summarised as follows:

		2015	2014
i)	Improvement and efficiency of asset usage		
	a) Average credit period for trade receivables	**66 days**	37 days
ii)	Financial stability of the company		
	Working capital ratio	**1.60:1**	1.26:1
	Liquidity ratio	**1.57:1**	1.23:1

Average credit period for trade receivables has increased because the spread of the annual turnover was more concentrated during the last quarter of the year than the previous year. Other ratios show positive changes in the financial structure of the company which continues to maintain a satisfactory liquidity position.

Policy on the payment of creditors

The company applies a policy of agreeing payment terms with each of its main suppliers and the company aims to abide by these terms, subject to satisfactory performances by suppliers.

At the year end, the company had 53 days (2014: 20 days) of purchases outstanding.

Key risks and uncertainties

The main risks of the company are summarised below:

- **Currency risk**

Purchases of the company are mainly denominated in US dollars. As a result, the company is subject to risk of foreign currency movements. It is the company's policy to monitor this risk and to take necessary steps to minimise any adverse effects.

- **Liquidity risk**

Liquidity risk is the risk that the company may encounter in meeting its financial obligations as they fall due. During the year, the company continued to be funded from liquid resources retained in the UK. The directors continue to monitor the company's liquidity, taking steps, wherever necessary, to ensure that financial obligations and commitments are met as and when they fall due.

- **Market risk**

Pressure on margins: As the competition amongst value retailers is increasing, profit margins are under constant pressure. However, the company is spreading its customer base from value retailers to high margin fashion retailers to counter this risk.

- **Credit risk**

Credit risk arises from trade receivables where the party fails to discharge their obligation in relation to the instrument. To minimise the risk, management have appropriate credit assessment methods in place to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports.

Other business review

- **Environmental policy**

The company recognises the importance of environmental responsibilities and where practical has an environmental policy in place which includes the recycling of paper and all office materials. The directors believe the nature of its activities has a minimal effect on the environment.

- **Health and safety**

The company recognises the importance of safeguarding the health, safety and welfare of its employees and has a health and safety policy in place. Regular updates are communicated to all employees.

- **Employees**

The company aims to ensure that the employees work in a safe and healthy environment. The company encourages the workforce to be involved by providing appropriate training, learning and career development programmes. It is also making information available to employees through the medium of frequent staff meetings, together with personal appraisals and feedback sessions.

By order of the board
Mr Anuj Banaik
`Director

21 May 2015

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

As noted in note 2, the directors have chosen to prepare the financial statements as if they were statutory financial statements for the purpose of group consolidation.

Results and dividends

The company's profit for the year after taxation was £1,363,856 (2014: £872,289).

The directors do not recommend the payment of a dividend.

Future developments

The business environment looks challenging due to the current economic market conditions which will have an impact on the UK retail industry. Poeticgem Limited will continue to follow the plans of customer diversification and optimisation of synergies between group companies of PDS Multinational Fashions Limited to bring overall growth and improvement in profitability.

Going concern

The directors confirm that, having reviewed the company's forecasts, they consider that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Directors

The following directors have held office since 1 April 2014:

Mr Anuj Banaik
Mrs Payel Seth
Mrs Faiza Seth (resigned 9 October 2014)

FINANCIAL INSTRUMENTS

Details of the company's financial instruments, risk management objectives and the company's exposure to risk associated with its financial instruments are given in Note 19 to the financial statements.

Charitable and political donations	2015 £	2014 £
During the year the company made the following charitable donations:		
Grocery Aid President's Quiz Night	–	4,110
Charity Fight for Life	2,560	–
	2,560	4,110

Auditor

The auditors, UHY Hacker Young, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently:
- make judgements and estimates that are reasonable and prudent:
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the financial information included on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant information of which the company's auditor is unaware: and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Responsibility statement

Each of the persons who is a director at the date of approval of this report confirms that to the best of his or her knowledge and belief:

- the financial statements prepared in accordance with IFRSs as adopted by the EU give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and
- the directors' report includes a fair view of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that they face.

By order of the board

Mr Anuj Banaik

Director

21 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF POETICGEM LIMITED FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Poeticgem Limited for the year ended 31 March 2015, which comprise the income statement, balance sheet, the cash flow statement, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended:
- have been properly prepared in accordance with IFRSs as adopted by the EU and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 required us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us: or
- the financial statements are not in agreement with the accounting records and returns: or
- certain disclosures of directors' remuneration specified by law are not made: or
- we have not received all the information and explanations we require for our audit.

Vinodkumar Vadgama (Senior Statutory Auditor)

for and on behalf of UHY Hacker Young — 22 May 2015
Chartered Accountants
Statutory Auditor

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Continuing operations			
Revenue	4	38,242,659	21,661,556
Cost of revenue		(29,712,217)	(13,149,568)
Gross profit		8,530,442	8,511,988
Other income	5	1,861,623	847,842
Distribution costs		(3,053,191)	(2,247,618)
Administrative expenses		(5,636,610)	(5,992,302)
Operating profit	6	1,702,264	1,119,910
Finance income	8	2,492	1,953
Finance costs	9	(192,568)	(173,461)
Profit for the year before taxation		1,512,188	948,402
Taxation	10	(148,332)	(76,113)
Profit for the financial year	24	1,363,856	872,289
Other comprehensive income			
Net effect of cash flow hedges	23	(31,467)	314,394
Total comprehensive income for the year		1,332,389	1,186,683

None o the company's activities were discontinued in the year.

Poeticgem Limited

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2015

	Notes	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Non current assets			
Property, plant and equipment	11	2,594,392	2,641,229
Investments in subsidiaries	12	574,445	8,074,445
Other investments	13	499,528	445,753
Trade and other receivables	15	689,318	701,682
		4,357,683	11,863,109
Current assets			
Inventories	14	293,328	272,194
Trade and other receivables	15	12,204,795	5,672,563
Other financial assets	23	–	31,467
Cash and cash equivalents		3,995,809	4,520,114
		16,493,932	10,496,338
Total assets		20,851,615	22,359,447
Current liabilities			
Trade and other payables	16	(5,109,835)	(3,632,770)
Current tax liabilities		(170,965)	(90,894)
Borrowings	17	(5,025,420)	(4,606,181)
		(10,306,220)	(8,329,845)
Net current assets		6,187,712	2,166,493
Non current liabilities			
Other payables		(96,755)	(793)
Borrowings	17	(561,054)	(5,461,054)
Deferred tax liabilities	21	(1,568)	(14,127)
		(659,377)	(5,475,974)
Total liabilities		(10,965,597)	(13,805,819)
Net assets		9,886,018	8,553,628
Shareholders' equity			
Share capital	22	50,000	50,000
Other reserves	23	–	31,467
Retained earnings	24	9,836,018	8,472,161
Total equity		9,886,018	8,553,628

The financial statements were approved by the board of directors and authorised for issue on 21 May 2015 and were signed on its behalf by:

Mr Anuj Banaik
Director
Company Registration No. 02608346

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2015

	Share capital £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2013	50,000	(282,927)	7,599,872	7,366,945
Total comprehensive income for the year	–	314,394	872,289	1,186,683
Balance at 1 April 2014	50,000	31,467	8,472,161	8,553,628
Total comprehensive income for the year	–	(31,467)	1,363,856	1,332,389
Balance at 31 March 2015	50,000	–	9,836,018	9,886,018

The notes on pages 14 to 43 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	28	(4,116,812)	156,229
Finance costs		(192,568)	(173,461)
Finance income		2,492	1,953
Net cash (used in)/ generated from operating activities		(4,306,888)	(15,279)
Payment of income taxes		(80,819)	(213,709)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(102,062)	(75,188)
Purchases of available-for-sale finance assets		(53,775)	(46,036)
Proceeds from the disposal of subsidiary		8,500,000	144,122
Net cash generated from/ (used in) investing activities		8,344,163	22,898
Cash flows from financing activities			
Advance from / (repayment of) borrowings		(368,875)	72,081
Proceed of advances from debt factoring		(183,451)	120,512
Net cash generated from / (used in) financing activities		(552,326)	192,593
Net increase in cash and cash equivalents		3,404,130	(13,497)
Cash and cash equivalents at the start of the year		591,679	605,176
Cash and cash equivalents at the end of the year		3,995,809	591,679
Cash and cash equivalents comprise:			
Cash at bank and in hand		3,995,809	4,520,114
Bank overdrafts		–	(3,928,435)
		3,995,809	591,679

The notes on pages 14 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. General information

Poeticgem Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The principal activity of the company is disclosed in the strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environments in which the company operates.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRSs.

These financial statements do not reflect the consolidation of the company's subsidiaries and are therefore not statutory financial statements. The directors have nonetheless prepared and presented on the basis they are statutory financial statements for disclosure purposes in all other respects.

2.1 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by Section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Multinational Textile Group Limited, a company incorporated in Mauritius, and is included in the consolidated accounts of that company.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	1% straight line
Leasehold land and buildings	1% straight line on long lease and over lease term for short lease
Plant and machinery	33.33% reducing balance
Fixtures, fittings and equipment	25% reducing balance
Motor vehicles	25% reducing balance

2.3 Impairment

The carrying values of the company's assets' are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying value of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

– **Sale of goods**

Revenue represents amounts receivable from the distribution of garments net of discounts and value added tax. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

– **Commission receivable**

Commission receivable is earned when the supplier delivers to the end customers.

– **Rental income**

Rental income is earned at arm's length on the freehold property which is occupied by one of the company's subsidiaries. Rental income under operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the lease.

– **Interest income**

Interest revenue is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

– **Corporate income**

Corporate income represents the recovery of cost of services rendered by senior management. It is accounted for on an accrual basis.

2.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under finance leases and hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using the FIFO method. Net realisable value represents the estimated selling price.

2.8 Taxation

Income tax expense represents the current tax payable and deferred tax provisions.

– **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable of deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

– **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

2.9 Foreign currencies

Transactions in currencies other than in pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Foreign exchange differences arising on translation are included in the income statement in the period in which they arise.

2.10 Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.11 Financial instruments

Financial instruments are measured initially at cost, which is the fair value of whatever was paid or received to acquire or incur them. The company has the following categories of financial assets and liabilities:

- **Trade and other receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are stated at their nominal value as reduced by appropriated allowances for estimated irrecoverable amounts. This also includes factored debts as described overleaf.

- **Trade and other payables**

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payable are stated at their nominal value.

- **Factored debts**

Factored debts are shown as gross assets within trade receivables and a corresponding liability is shown in respect of proceeds received within payables. The interest and factoring charges are recognised in the statement of comprehensive income during the period to which they relate using the effective interest method.

- **Available-for-sale financial assets**

Available-for-sale assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are stated at fair value.

- **Other financial liabilities**

Trade payables are recognised and carried at original invoice cost and are a short-term liability of the company.

- **Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the company statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

- **Interest-bearing loans and borrowings**

Interest-bearing bank loans and overdrafts are recorded as the proceeds received, net of direct issue costs. Finance charges are accounted for on an accruals basis in the statement of comprehensive income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Poeticgem Limited

- **Derivative financial instruments and hedge accounting**

 The company uses derivative financial instruments such as forward currency contracts to hedge its exposure to exchange rate movements on merchandise purchases, certain other costs and sales denominated in foreign currencies.

 Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

 The company applies cash flow hedge accounting whereby changes in the fair value of the hedging instrument are recognised directly in equity rather than the statement of comprehensive income. When the hedged item is recognised in the financial statements, the accumulated gains and losses are removed from equity and recognised in the profit and loss. Hedge effectiveness testing is carried out retrospectively and prospectively and where ineffectiveness arises on hedged item, the changes in fair value are taken directly to the statement of comprehensive income for the year.

3. Significant judgements and estimates

The preparation of the company's financial statements in conforming with IFRSs requiring management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimates is contained in either the accounting policies or in the notes to the financial statements.

Current economic environment

The current economic environment could have an impact on a number of estimates necessary to prepare the financial statements, in particular, the recoverable amount of assets and contingent liabilities. The company has taken these factors into account in assessing the estimates set out below.

Available-for-sale financial assets

In determining whether available-for-sale financial assets are impaired, the directors evaluate the duration and extent to which the fair value of an investment is less than its cost. In the directors' opinion, these financial assets have not been impaired and are correctly stated.

Derivative financial instruments

Derivative financial instruments are recognised at fair value and change significantly from period to period.

4. Revenue

a) Company activities

The company's activity is in a single business segment, being the supply of ladies', men's and children's garments.

b) Revenue by geographical market and customer location

The company's operations are located primarily in the UK and the business activity is reportable as follows:

Analysis of revenue by category:	2015	2014
	£	£
Sale of garments	33,283,703	12,492,983
Commission receivable	4,958,956	9,168,573
	38,242,659	21,661,556

Analysis of revenue by geographical market and customer location are as follows:

UK	26,693,808	9,561,887
Rest of the World	5,347,083	9,168,573
Europe	6,201,768	2,931,096
	38,242,659	21,661,556

5. Other income

Rent receivable	46,834	74,763
Gain from disposal of subsidiary	1,000,000	144,078
Exchange gain/(loss)	131,851	(403,455)
Corporate income	189,061	207,710
Sundry income	493,877	824,746
	1,861,623	847,842

6. Operating profit

Operating profit has been arrived at	2015	2014
After charging/(crediting):	£	£
Staff costs (see note 7)	3,551,739	4,209,853
Depreciation of property, plant and equipment	118,536	95,940
Amortisation of leasehold	30,363	40,892
Profit on disposal of subsidiary	1,000,000	144,078
Operating lease rentals	251,154	220,665
Loss / (profit) on foreign exchange transactions	(131,851)	403,455
Fees payable to auditors:		
Audit of annual financial statements	25,000	25,000
Other services – review of the interim financial statements	17,472	17,374
Other services relating to taxation	5,650	6,400
Other services	5,054	10,945

7. Staff numbers and costs

The payroll costs (including directors) were as follows:

Staff wages and salaries	3,092,267	3,678,072
Directors' remuneration	100,000	100,000
Social security costs	359,472	431,781
	3,551,739	4,209,853

The average number of employees (including directors) during the year was:

Designers	24	35
Sales	26	31
Management and administration	15	11
Quality control	7	18
	72	95

Directors' emoluments		
Emoluments for qualifying services	114,608	116,554

8. Finance income

Other interest	2,492	1,953
	2,492	1,953

9. Finance costs

Interest on borrowings	192,568	172,439
Interest on overdue tax	–	1,022
	192,568	173,461

10. Taxation for the period

Current tax expense:		
UK corporation tax	170,400	110,000
Adjustment for prior year	(9,510)	(47,041)
	160,890	62,959
Deferred tax:		
Origination and reversal of temporary differences	(12,558)	13,154
Income tax expenses	148,332	76,113
Reconciliation of current tax expenses to accounting profit:		
Profit before taxation	1,512,188	948,402
Notional taxation charge at the UK corporation tax rate of 21% (2014: 23%)	317,559	218,132
Tax effects of:		
Expenses not deductible for tax purposes	16,464	19,538
Excess depreciation over capital allowances	19,562	253
Adjustments in respect of prior years	(9,510)	(47,041)
Other tax adjustments	(166,949)	(23,063)
Tax losses surrendered from group company	(16,236)	(104,860)
Total current charge for the year	160,890	62,959

11. Property, plant and equipment

	Land and Buildings Freehold £	Land and buildings leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2014	2,436,537	602,093	902,836	795,684	2,916	4,740,066
Additions	69,775	–	23,332	8,953	–	102,060
At 31 March 2015	2,506,312	602,093	926,168	804,637	2,916	4,842,126
Accumulated depreciation						
At 1 April 2014	178,071	591,131	646,261	681,537	1,837	2,098,837
Charge for the year	24,627	5,736	89,202	29,154	180	148,899
At 31 March 2015	202,698	596,867	735,463	710,691	2,017	2,247,736
Carrying amount						
At 31 March 2015	2,303,614	5,226	190,707	93,946	899	2,594,392
At 31 March 2014	2,258,466	10,962	256,575	114,147	1,079	2,641,229

Security

Properties with a carrying value of £2,303,614 (2014: £2,258,466) are subject to a legal charge to secure bank loans (see note 17).

	Land and Buildings Freehold £	Land and buildings leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2013	2,436,537	602,093	828,648	794,584	2,916	4,664,778
Additions	–	–	74,188	1,100	–	75,288
At 31 March 2014	2,436,537	602,093	902,836	795,684	2,916	4,740,066
Accumulated depreciation						
At 1 April 2013	153,707	574,603	580,229	652,171	1,295	1,962,005
Charge for the year	24,364	16,528	66,032	29,366	542	136,832
At 31 March 2014	178,071	591,131	646,261	681,537	1,837	2,098,837
Carrying amount						
At 31 March 2014	2,258,466	10,962	256,575	114,147	1,079	2,641,229
At 31 March 2013	2,282,830	27,490	248,419	142,413	1,621	2,702,773

Security

Properties with a carrying value of £2,258,466 (2013: £2,282,830) are subject to a legal charge to secure bank loans (see note 17).

12. Investments in subsidiaries

	Shares in Subsidiary undertakings 2015 £	2014 £
Cost		
At the beginning of the year	8,074,445	8,074,489
Disposals during the year	(7,500,000)	(44)
At the end of the year	574,445	8,074,445

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or Incorporation	Class	Shares held %
Subsidiary undertakings			
Pacific Logistics Limited	England and Wales	Ordinary	100
Poetic Knitwear Limited	England and Wales	Ordinary	100
FX Import Company Limited	England and Wales	Ordinary	75
FX Import Hong Kong Limited	Hong Kong	Ordinary	75

Razamtazz Limited was disposed of during the year.

The aggregate amount of capital and reserves and the results of the undertakings at 31 March 2015 were as follows:

	Capital and reserves £	Profit/ (loss) for the period £
Pacific Logistics Limited	(354,934)	(94,340)
Poetic Knitwear Limited	(695,352)	(2,062)
FX Import Company Limited	(276,820)	420,260
FX Import Hong Kong Limited	269,506	15,968

13. Other investments

	2015 £	2014 £
• Available-for-sale:		
At start of the year	445,753	399,717
Additions during the year	–	88,389
Net profit/ (loss) – exchange difference	53,775	(42,353)
At the end of the year	499,528	445,753

Other investments are available-for-sale financial assets consisting of ordinary shares and therefore, have no maturity date or coupon rate. In the directors' opinion, the fair value of this unlisted security is the same as the carrying value at the balance sheet date.

14. Inventories

	2015	2014
Finished goods and goods for resale	293,328	272,194

15. Trade and other receivables

	2015	2014
Current assets		
Trade receivables	6,014,392	1,262,425
Other receivables	1,103,678	1,157,888
Receivables from fellow group companies	2,729,767	806,295
Receivables from subsidiary companies	2,100,892	2,242,537
Prepaid expenses	245,903	194,445
Receivables from related parties	10,163	8,973
	12,204,795	5,672,563
Non-current assets		
Other receivables	236,200	248,565
Receivables from subsidiary companies	453,117	453,117
	689,318	701,682

The average credit period given for trade receivable at the end of the year is 66 days (2014: 37 days).

At 31 March 2015, the ageing analysis of overdue trade receivables is as follows:

	Total £	Overdue but not impaired <3 months £	>3 months £
2015	644,155	523,925	120,230
2014	92,727	36,945	55,782

All the amounts are due to be recovered within 12 months of the balance sheet date. The fair value of trade and other receivables is the same as the carrying value shown above.

The maximum exposure to credit risk for trade and other receivables is represented by their carrying amount. The company does not have a significant concentration of credit risk for its trade receivables because its customer base is large.

16. Trade and other payables

	2015 £	2014 £
Trade payables	4,327,855	724,725
Payables to fellow group companies	298,486	2,713,778
Payable to related parties	67,214	24,433
Social security and other taxes	91,371	64,922
Accrued expenses	324,909	104,912
	5,109,835	3,632,770

Trade payables and accrued expenses mainly comprise of amounts owed for trading purchases and associated costs.

All trade and other payables are due to be paid within 12 months of the balance sheet date.

The fair value of trade and other payables is the same as the carrying value shown above.

17. Borrowings

	2015	2014
Bank overdrafts	–	3,928,435
Bank loans	4,900,000	5,268,875
Advances from factors	125,420	308,871
Loan from parent undertaking	561,054	561,054
	5,586,474	10,067,235

Poeticgem Limited

	2015 £	2014 £
The borrowings are repayable as follows:		
On demand or withain one year	5,025,420	4,606,181
In the second year	–	–
In the third to fifth years inclusive	561,054	5,461,054
	5,586,474	10,067,235
Less: Amount due for settlement within 12 months (shown under current liabilities)(5,025,420)	(4,606,181)	
Amount due for settlement after 12 months	561,054	5,461,054

The weighted average of interest rates paid was as follows:

	2015 %	2014 %
Bank overdrafts	2.5	2.5
Bank loans	2.65	2.58

Bank loans are arranged at floating rates, thus exposing the company to cash flow interest rate risk.

The other principal features of the company's borrowings are as follows:

i) Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates to 2.5 percent per annum and is determined based on 2 percent plus base rate.

ii) The company's bank loans are secured by a legal charge over the freehold property at Teleflex Plot, Burnleys, Kiln Farm, Milton Keynes and fixed and floating charges over the assets of the company and a cross guarantee between Poeticgem Limited and its subsidiary Pacific Logistics Limited. The average effective interest rate on bank loans approximates to 2.65 percent per annum and is determined based on 2.12 percent plus base rate.

At 31 March 2015 the company had available £7,792,000 (2014: £5,624,573) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

The company has advances from factors that are secured by a charge on the trade receivables of the company.

Other loans represent an amount of £561,054 (2014: £561,054) due to Global Textile Group Limited, the company's immediate parent company. The amount is unsecured and repayable after more than one year. Interest is chargeable at a rate of 9% per annum on an amount of £248,270.

The carrying value of all the company's long term borrowings approximate to their fair value as at the balance sheet date.

18. Derivative financial instruments

	2015 £	2014 £
Forward foreign exchange (fair value)	–	31,467

The terms of the forward foreign exchange contracts have been negotiated to match the terms of the commitments referred to below. The cash flow hedges of the expected future purchases were assessed to be highly effective and as at 31 March 2015, a recognised profit of £Nil (2014: £31,467) was included in the hedging reserves in respect of these contracts.

At the balance sheet date, the total notional amounts of outstanding forward foreign exchange contracts that the company has committed to are as follows:

Forward foreign exchange contracts (cash flow hedges)	–	2,261,853

These commitments have been entered into to hedge against future payments to suppliers in the ordinary course of business.

19. Financial instruments

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

	Financial assets at fair value through profit or loss – held for trading £	Available-for-sale financial assets £	Loan and receivables £	Financial liabilities at amortised cost £	2015 Total £
Financial assets					
Available-for-sale investments	–	499,528	–	–	499,528
Other long-term receivables	–	–	236,200	–	236,200
Trade receivables	–	–	5,279,814	–	5,279,814
Other receivables	–	–	1,535,837	–	1,535,837
Receivables from fellow group companies	–	–	2,902,750	–	2,902,750
Receivables from subsidiary companies	–	–	1,927,909	–	1,927,909
Receivables from related parties	–	–	10,163	–	10,163
Cash and cash equivalents	–	–	3,995,810	–	3,995,810
Derivative financial assets	–	–	–	–	–
Total financial assets	–	499,528	15,888,483	–	16,388,011
Financial liabilities					
Trade payables, other payables and accruals-current	–	–	–	4,592,440	4,592,440
Other payables-not current	–	–	–	96,755	96,755
Secured borrowings	–	–	–	5,025,420	5,025,420
Payable to immediate parent company	–	–	–	561,054	561,054
Payables to fellow group companies	–	–	–	298,487	298,487
Payables to related parties	–	–	–	67,214	67,214
Total financial liabilities	–	–	–	10,641,370	10,641,370
The carrying amounts of each of the categories of financial instruments as at last year's balance sheet date are as follows:					
Available-for-sale investments	–	455,753	–	–	455,753
Other long-term receivables	–	–	248,565	–	248,565
Trade receivables	–	–	1,262,425	–	1,262,425
Other receivables	–	–	1,157,888	–	1,157,888
Receivables from fellow group companies	–	–	806,295	–	806,295
Receivables from subsidiary companies	–	–	2,695,654	–	2,695,654
Receivables from related parties	–	–	8,973	–	8,973
Cash and cash equivalents	–	–	4,520,114	–	4,520,114
Derivative financial assets	31,467	–	–	–	31,467
Total financial assets	31,467	455,753	10,699,914	–	11,187,134
Financial liabilities					
Trade payables, other payables and accruals-current	–	–	–	829,637	829,637
Other payables-not current	–	–	–	793	793
Secured borrowings	–	–	–	9,506,181	9,506,181
Payable to immediate parent company	–	–	–	561,054	561,054
Payables to fellow group companies	–	–	–	2,713,778	2,713,778
Payables to related parties	–	–	–	24,433	24,433
Total financial liabilities	–	–	–	13,635,876	13,635,876

20. Financial risk management objectives and policies

The company's exposure to interest rate risk, foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the company's financial management policies and practices described below:

a) Interest rate risk

The company's exposure to the risk of changes in market interest rates relates primarily to the company's interest-bearing bank borrowings with floating interest rates.

The company's policy to manage its interest rate risk is to reduce or maintain its current level of interest-bearing borrowings. As the company is not expected to significantly increase its level of interest-bearing borrowings, it has not used any interest rate swaps to hedge its exposure to interest rate risk.

Sensitivity analysis

The following table demonstrates the sensitivity to a possible change in interest rates (+/-0.25%), with all other variables held constant on the company's profit or loss (through the impact on floating rate borrowings) and the company's equity.

	Increase/ (decrease) in profit before tax £	Increase/ (decrease) in equity £
2015		
Increase in basis point of 0.25%	(12,564)	(12,564)
Decrease in basis point of 0.25%	12,564	12,564
2014		
Increase in basis point of 0.25%	(23,765)	(23,765)
Decrease in basis point of 0.25%	23,765	23,765

b) Foreign currency risk

The company has transactional currency exposures. Such exposures arise mainly from purchases in currencies other than the company's functional currency. Approximately 87% (2014: 62%) of the company's purchases are denominated in currencies other than the functional currency of the company, whilst almost all of the company's sales are denominated in the company's functional currency.

At 31 March 2015, the company held no forward currency contracts (2014: 11) designated as hedges in respect of expected future purchases from suppliers in Asia, for which the company has firm commitments.

i) Currency exposures

The following table details the company's exposure at the balance sheet date to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	US dollar $
At 31 March 2015	
Other investments	**741,600**
Trade and other receivables	**7,513,210**
Cash and cash equivalents	**353,142**
Trade payables	**(5,886,227)**
Borrowings	(186,198)
Net exposure arising from recognised assets and liabilities	2,535,527
At 31 March 2014	
Other investments	741,600
Trade and other receivables	1,230,908
Cash and cash equivalents	7,335,454
Trade payables	(174,897)
Borrowings	(935,193)
Net exposure arising from recognised assets and liabilities	**8,197,872**

ii) Sensitivity analysis

The company is exposed to a number of foreign currencies. The most significant transactional currency exposure is US dollar with sterling.

The following table demonstrates the sensitivity to a possible change if the sterling weakened/strengthened by 10% against the US dollar, with all other variables held constant, on the company's profit or loss and the company's equity.

	Increase/ (decrease) in profit before tax $	Increase/ (decrease) in equity $
2015		
10% weakened	**(253,553)**	(253,553)
10% strengthened	**253,553**	253,553
2014		
10% weakened	(819,787)	(819,787)
10% strengthened	819,787	819,787

c) Credit risk

The company is exposed to credit risk to the extent of non-payment by either its customers or the counterparties of its financial instruments.

The company trades on credit terms only with recognised and creditworthy third parties. If the wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Receivable balances are monitored on an ongoing basis and there is no significant concentration of credit risk within the company. The company's exposure to bad debts is also not significant as the company's trade receivables relate to diversified debtors and most of the trade receivables are factored.

Since the company trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the company's other financial assets, which comprise deposits and other receivables, amounts due from group companies, bank balances and pledged time deposits, arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

d) Liquidity risk

The company's policy is to hold financial instruments and financial assets (eg. trade receivables) and maintain undrawn committed facilities at a level sufficient to ensure that the company has available funds to meet its medium-term capital and funding obligations and to meet any unforeseen obligations and opportunities. The company holds cash and short-term investments which, together with the undrawn committed facilities and group borrowings, enable the company to manage its liquidity risk.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings.

The maturity profile of the company's financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, was as follows:

	Within 1 year or on demand £	More than 1 year but less than 2 years £	More than 2 years £	2015 Total £
Trade payables	4,327,855	–	–	4,327,855
Other payables	324,909	–	96,755	421,644
Social security and other taxes	91,371	–	–	91,371
Borrowings	5,025,420	–	561,054	5,586,474
Payables to fellow group companies	298,486	–	–	298,486
Payables to related parties	67,214	–	–	67,214
	10,135,255	–	657,809	10,793,064

	Within 1 year or on demand £	More than 1 year but less than 2 years £	More than 2 years £	2015 Total £
Trade payables	724,725	–	–	724,725
Other payables	104,912	–	793	105,705
Social security and other taxes	64,922	–	–	64,922
Borrowings	4,606,181	–	5,461,054	10,067,235
Payables to fellow group companies	2,713,778	–	–	2,713,778
Payables to related parties	24,433	–	–	24,433
	8,238,951	–	5,461,847	13,700,798

The maturity analysis applies to financial instruments only and therefore, statutory liabilities are not included.

e) Capital management

The company aims to manage its overall capital to ensure that it continues to operate as a going concern and maintains sufficient financial flexibility to undertake planned investments, whilst providing adequate return to shareholders.

The company's capital structure is reviewed on a quarterly basis to ensure that an appropriate level of gearing is being used.

The company calculates its gearing ratio as borrowings, including current and non-current borrowings, divided by total capital as represented by borrowings less cash and cash equivalents plus total equity.

21. Deferred tax liabilities

The analysis of deferred tax liabilities is as follows:	2015 £	2014 £
Deferred tax liabilities	(1,568)	(14,127)
This gross movement on the deferred tax account is as follows:		
At the start of the year	(14,127)	(973)
Credited/ (charged) to statement of comprehensive income	12,559	(13,154)
At the end of the year	(1,568)	(14,127)

Poeticgem Limited

The movement in deferred tax liabilities during the year is as follows:

	Decelerated/ (accelerated) tax depreciation	Rolled over and held over gains	Total
	£	£	£
At 1 April 2013	(973)	–	(973)
Paid in the year	(13,154)	–	(13,154)
At 31 March 2014	(14,127)	–	(14,127)
Tax charge to statement of comprehensive income	12,559	–	12,559
At 31 March 2015	(1,568)	–	(1,568)

22. Share capital

	2015	2014
	£	£
Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

23. Other reserves

	2015	2014
Hedging reserve		
Cash flow hedges:		
Fair value at the start of the year	(31,467)	282,927
Transfer to Profit & Loss	31,467	(282,927)
Fair value of cash flow hedges	–	(31,467)
Fair value at the end of the year	–	(31,467)

24. Retained earnings

	2015	2014
Balance at the start of the year	8,472,161	7,599,872
Profit for the financial year	1,363,856	872,289
Balance at the end of the year	9,836,018	8,472,161

25. Operating lease arrangements

	2015	2014
Minimum lease payments under operating leases recognised in the statement of comprehensive income for the year	251,154	220,665

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Within one year	169,200	185,397	86,526	96,015
Between two and five years	476,925	502,296	46,995	91,546
More than five years	100,100	146,300	–	–
	746,225	833,993	133,521	187,561

Operating lease payments represent rentals payable by the company.

26. Contingent liabilities

At 31 March 2015, the company had the following contingent liabilities:

The company's bankers, HSBC plc have given the following guarantee on behalf of the company:

HM Revenue and Customs	£500,000
RBS PLC	£36,935

The company has extended an Unlimited Multilateral Guarantee on 28 August 2012 to its subsidiaries, Pacific Logistics Limited and FX Import Company Limited.

The bank has a fixed and floating charge over the assets of the company which is supported by a debenture dated 11 September 2012.

27. Capital commitments

Capital commitments contracted for at the balance sheet date but not yet incurred are as follows:

	2015		2014	
	$	£	$	£
Non-current asset investments	258,400	174,054	258,400*	155,318*

*Amounts have been translated at the exchange rate prevailing at the balance sheet date.

28. Notes to the cash flow statement

	2015	2014
	£	£
Cash flows from operating activities		
Profit from operations	1,702,264	1,119,910
Adjustments for:		
Depreciation of property, plant and equipment	118,536	95,940
Amortisation of leasehold	30,363	40,892
Gain on disposal of subsidiary	(1,000,000)	(144,078)
Operating cash inflows before working capital	851,163	1,112,664
Decrease / (increase) in inventories	(21,134)	294,861
Decrease / (increase) in receivables	(6,519,868)	1,511,068
(Decrease) / Increase in payables	1,573,027	(2,762,364)
Cash generated from operations	(4,116,812)	156,229

29. **Related party transactions**

a) **Transactions with related companies**

During the year, the company entered into the following transactions with related parties:

	Sales/management fee FOB transfers/ rent/commissions interest received		Commission interest paid/ purchases/expenses		Amounts owed by related party		Amounts owed to related party	
	2015	2014	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£	£	£
FX Import Company Limited, UK	200,875	477,663	–	–	1,017,672*	1,248,338*	–	–
Global Textile Group Limited, Mauritius	–	–	22,345	22,345	–	–	594,466?	566,668?
Pearl Global Industries Limited, India	–	–	10,725	78,993	2,727	–	–	657
Norwest Industries Limited, HK	13,524,653#	9,723,717	2,835,386	1,152,420	1,501,888	–	–	2,289,810
Pacific Logistics Limited, UK	–	47,470	205	242,130	668,187?	633,039?	–	–
Poetic Knitwear Limited, UK	–	–	–	–	695,167	692,729	–	–
Simple Approach Limited, Hong Kong	3,200	144,078	–	7,294	147,577	114,918	–	–
Simple Approach (Canada) Limited, Canada	–	18,916	–	–	10,500	10,500	–	–
Spring Near East Manufacturing Limited, Hong Kong	–	1,024	–	102,811	407,915	281,521	–	–
Razamtazz Limited, Mauritius	128,736	124,063	–	–	162,483	121,548	–	–
Zamira Fashion Limited, Hong Kong	180,315	–	37,090	–	186,248	5,552	–	–
Gem Australia, Hong Kong	–	–	–	–	919	2,501	–	–
Poeticgem International Limited, Hong Kong	–	–	–	–	–	–	1,566	–
Nor Lanka Manufacturing Limited, Hong Kong	225,680	37,628	362,290	3,116,777	–	–	263,518	397,697
NAFS Limited, UK	–	–	–	–	–	894	–	–
Nor Europe Manufacturing Limited, Hong Kong	–	40,203	–	9,732	1,386	–	–	–
Nor France SAS, France	–	–	–	–	2,576	2,576	–	–
PDS Asia Star Corporation Limited, Hong Kong	–	–	–	–	48,327	4,619	–	–
Sino West Manufacturing Limited, Hong Kong	–	31,800	–	–	–	5,426	–	–
Multinational Textile Group Limited, Mauritius	–	–	330,625	561,525	250,618	176,154	–	–
Design & Source, Hong Kong	–	–	–	826	11,226	43,283	–	–
Casa Forma Limited, UK	–	–	–	–	160,299	157,651	–	–
Sourcing Solutions Limited	–	–	–	–	1,809	–	–	–
Dpod Manufacturing Co Limited, Hong Kong	–	–	–	–	4,727	612	–	–
Kleider Sourcing Hong Kong Limited, Hong Kong	–	–	–	–	123	–	–	–
Pearl GES Group Limited	–	–	–	–	1,402	88	–	–

The above balances are interest free and repayable on demand

* The amount owed by FX Import Company Limited includes an interest free long-term loan of £451,500 (2014: £451,500).

? The amount owed by Pacific Logistics Limited includes an interest free long-term loan of £1,617 (2014: £1,617).

? The amount payable to Global Textile Group Limited, Mauritius is unsecured and repayable after more than one year. Interest is chargeable at a rate of 9% per annum on an amount of £248,270.

\# This amount includes the sale of the investment, Razamtazz Limited, of £8,500,000 (2014: £Nil).

The above companies are related as follows:

The ultimate parent company of Poeticgem Limited is PDS Multinational Fashions Limited, India.

The immediate parent company of Poeticgem Limited is Global Textile Group Limited, Mauritius.

Pacific Logistics Limited and Poetic Knitwear Limited are wholly owned subsidiaries of Poeticgem Limited.

Poeticgem Limited owns a 75% share in FX Import Company Limited.

Multinational Textile Group Limited, Mauritius owns 60% share in Dpod Manufacturing Company Limited, Hong Kong, 60% share in PDS Asia Star Corporation Limited, Hong Kong, 100% share in Poeticgem International Limited, Hong Kong, 100% share in Casa Forma Limited, UK, 85% share in Norwest Industries Limited, Hong Kong, 67% share in Zamira Fashion Limited, Hong Kong, 75% share in Simple Approach Limited, Hong Kong and 51% share in Pearl GES Group Limited.

Casa Forma Limited is a wholly owned subsidiary of Multinational Textile Group Limited, the intermediate parent company of Poeticgem Limited.

Simple Approach (Canada) Limited, Canada is a wholly owned subsidiary of Simple Approach Limited, Hong Kong.

Pearl Global Industries Limited, India is a company controlled by common directors.

Razamtazz Limited, Mauritius is wholly owned subsidiary of Norwest Industries Limited, Hong Kong.

Norwest Industries Limited, Hong Kong owns 55% share in Kleider Sourcing Hong Kong Limited, Hong Kong, 50% share in Sourcing Solution Limited, Hong Kong, 60% share in Designed and Sourced Limited, Hong Kong, 65% share in Spring Near East Manufacturing Limited, Hong Kong, 100% share in Razamtazz Limited, Mauritius, 100% share in Gem Australia Manufacturing Limited, Hong Kong, 100% share in Norlanka Manufacturing Limited, Hong Kong, 70% share in Nor Europe Manufacturing Company Limited, Hong Kong, 85% share in Nor France SAS, Hong Kong and 100% share in Sino West Manufacturing Company Limited, Hong Kong.

Multinational Textile Group Limited, Mauritius is a subsidiary of the company's ultimate parent company PDS Multinational Fashions Limited, India.

b) **Loans and advances to/ (from) related parties**

	2015	2014
i) Loans and advances to/ (from) key management of the company and their close family members	£	£
At start of the year	(15,459)	5,220
Amounts advanced during the year	865,441	1,017,883
Amounts repaid during the year	(907,032)	(1,038,562)
At end of the year	(57,050)	(15,459)

The above loans are interest free.

Directors' emoluments

	Salaries/ Bonus	Benefits	2015	2014
	£	£	£	£
Mr Anuj Banaik	100,000	14,608	114,608	116,554

Poeticgem Limited

c) **Other transactions with related parties**

Mr Pallak Seth, close family member of Mrs Faiza Seth, has given a personal guarantee of £750,000 in respect of a bank loan taken by the company.

Mr Deepak Seth, close family member of Mrs Payel Seth, has given a personal guarantee of £4,900,000 plus interest in respect of a bank loan taken by the company.

One of the company's bank loans is secured by a legal charge over Flat 3, 22 Down Street, Mayfair, London, a property owned by Razamtazz Limited, a wholly owned subsidiary of Norwest Industries Limited, Hong Kong.

30. **Control**

The immediate parent company is Global Textile Group Limited, a company registered in Mauritius, and the ultimate parent company is PDS Multinational Fashions Limited, a company registered in India.

PDS Multinational Fashions Limited prepares group financial statements and copies can be obtained from Corporate Office: No. 2339, Krishna Complex, 17th Cross HSR Layout, Bangalore-560102, Karnataka, India.

PDS Multinational Fashions Limited is listed on the Bombay Stock Exchange and National Stock Exchange in India.

		2015		2014
Turnover	£	£	£	£
Sales		33,283,703		12,492,983
Commission receivable		4,958,956		9,168,573
		38,242,659		21,661,556
Cost of sales				
Opening stock of finished goods	272,194		567,055	
Purchases	29,422,299		12,204,828	
Other direct overheads	286,159		544,158	
Designing expenses	6,560		22,953	
Testing charges	18,333		82,768	
			13,421,762	
Closing stock of finished goods	(293,328)		(272,194)	
		(29,712,217)		(13,149,568)
Gross profit		8,530,442		8,511,988
Distribution costs	3,053,191		2,247,618	
Administration expenses	5,636,610		5,992,302	
		(8,689,801)		(8,239,920)
		(159,359)		272,068
Other operating income				
Rent receivable	46,834		74,763	
Gain from disposal of subsidiary	1,000,000		144,078	
Sundry income	493,877		824,746	
Corporate income	189,061		207,710	
Exchange gain/ (loss)	131,851		(403,455)	
		1,861,623		847,842
Operating profit		1,702,264		1,119,910
Finance income				
Other interest receivable	2,492		1,953	
		2,492		1,953
Finance costs				
Bank interest payable	41,209		20,496	
Loan interest payable	151,359		151,943	
Interest on overdue tax	–		1,022	
		(192,568)		(173,461)
Profit before taxation	1,512,188		948,402	

	2015	2014
	£	£
Distribution costs		
Agents' commission	1,296,823	316,940
Advertising and promotion	2,100	11,486
Samples	1,155,139	1,232,558
Motor, travel and subsistence	529,730	609,688
Entertaining	69,399	76,946
	3,053,191	2,247,618

	2015	2014
	£	£
Administrative expenses		
Wages and salaries (excl. N.I.)	3,092,267	3,678,072
Directors' remuneration	100,000	100,000
Employer's NI contributions	359,472	431,781
Staff recruitment	80,800	42,720
Rent	168,823	130,697
Rates	81,458	78,081
Insurance	60,232	74,598
Staff medical insurance	23,936	26,006
Light and heat	24,001	18,099
Cleaning	30,310	35,345
Repairs and maintenance	19,066	6,737
Postage, stationery and courier	276,213	373,484
Telephone	105,502	128,338
Computer running costs	85,751	96,692
Motor vehicle leasing	82,331	89,968
Legal and professional fees	410,165	39,793
Consultancy fees	116,357	131,987
Audit fees	25,613	21,072
Non-audit fees	27,563	33,573
Bank charges	144,283	117,271
Factoring charges	51,593	38,461
Bad debt written off/ (recovered)	894	(4,115)
Sundry expenses	118,521	162,700
Charitable donations – other	2,560	4,110
Amortisation on freehold property	24,627	24,364
Amortisation on short leasehold	5,736	16,528
Depreciation on fixtures, fittings and equipment	89,202	29,366
Depreciation on plant and machinery	29,154	66,032
Depreciation on motor vehicles	180	542
	5,636,610	5,992,302

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the company is the importing and distribution of garments.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend for the year.

Directors

The following directors have held office since 1 April 2014:

Mr Christopher R Severs

Mr Deepak Seth

Mr Pallak Seth

Mrs Payel Seth

Auditor

The auditors, UHY Hacker Young, are deemed to be appointed under Section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the financial information included on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant information of which the company's auditor is unaware; and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

....

Mr Christopher Severs

Director

20th May 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FX IMPORT COMPANY LIMITED

FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of FX Import Company Limited for the year ended 31 March 2015, which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statements set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report.

Vinodkumar Vadgama (Senior Statutory Auditor)

for and on behalf of UHY Hacker Young
20th May 2015

Chartered Accountants

Statutory Auditor

FX Import Company Limited

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Continuing operations			
Revenue	4	3,814,150	5,019,328
Cost of revenue		(1,786,138)	(2,797,845)
Gross profit		2,028,012	2,221,483
Other income	6	92,784	202,588
Distribution costs		(114,433)	(78,809)
Administration expenses		(1,579,464)	(2,113,523)
Operating profit/ (loss)	5	426,899	231,739
Finance costs	8	(6,639)	(5,884)
Profit/ (loss) before taxation		420,260	225,855
Taxation	9	–	–
Profit/ (loss) for the financial year	19	420,260	225,855

None of the company's activities were discontinued in the year.

There are no other comprehensive income and expenses, other than those passing through the statement of comprehensive income.

The notes on pages 10 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Notes	2015 £	2014 £
Non current assets			
Property, plant and equipment	10	9,054	12,072
Intangible assets	11	860	2,150
Investment in subsidiary	12	865	865
		10,779	15,087
Current assets			
Inventories	13	9,193	58,766
Trade and other receivables	14	1,125,867	1,072,179
Cash and cash equivalents		209,889	159,836
		1,344,948	1,290,781
Total assets		1,355,727	1,305,868
Current liabilities			
Trade and other payables	15	(1,057,047)	(1,427,448)
		(1,057,047)	(1,427,448)
Net current assets/(liabilities)		287,901	(136,667)
Non current liabilities			
Borrowings	16	(575,500)	(575,500)
		(575,500)	(575,500)
Total liabilities		(1,632,547)	(2,002,948)
Net liabilities		(276,820)	(697,080)
Shareholders' equity			
Share capital	18	25,200	25,200
Retained earnings	19	(302,020)	(722,280)
Total equity		(276,820)	(697,080)

The financial statements were approved by the board of directors and authorised for issue on 20th May 2015 and were signed on its behalf by:

Mr Christopher Severs

Director

Company registration no. 03170332

The notes on pages 10 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £	Retained earnings £	Total £
Balance at 31 March 2013	25,200	(948,135)	(922,935)
Comprehensive income			
Profit for the year	–	225,855	225,855
Balance at 1 April 2014	25,200	(722,280)	(697,080)
Comprehensive income			
Profit for the year	–	420,260	420,260
Balance at 31 March 2015	**25,200**	**(302,020)**	**(276,820)**

The notes on pages 10 to 27 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash generated from operations	23	56,692	28,145
Finance cost paid		(6,639)	(5,884)
Net cash generated from operating activities		50,053	22,261
Cash flows from financing activities			
Capital element of hire purchase contracts repayments		–	(2,146)
Net cash used in financing activities		–	(2,146)
Net increase in cash and cash equivalents		50,053	20,115
Cash and cash equivalents at the start of the year		159,836	139,721
Cash and cash equivalents at the end of the year		209,889	159,836
Cash and cash equivalents comprise:			
Cash at bank and in hand		209,889	159,836

The notes on pages 10 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1. **General information**

   FX Import Company Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The principal activity of the company is disclosed in the Directors' Report on page 2.

   These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2. **Summary of significant accounting policies**

   The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRSs.

2.1 Going concern

The financial statements have been prepared on a going concern basis. At the Balance Sheet date, the company's current assets exceeded its current liabilities by £287,901 (2014: net liability £136,667).

The directors consider the going concern basis to be appropriate because, in their opinion, the company's trading performance will improve in the coming year with the development of new customers despite continuing difficult market conditions. The company will also continue to obtain sufficient funding from within the group to enable it to pay its debts as they fall due. If the company were unable to obtain this funding, it would be unable to continue trading and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise.

2.2 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore, taken advantage of the exemptions provided by Section 399 of the Companies Act 2006 not to prepare group accounts.

2.3 Intangible assets

Trademarks are stated at cost, less accumulated amortisation and impairment losses and are amortised over a period of 5 years which, in the opinion of the directors, is the estimated useful economic life.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	5% straight line
Fixtures, fittings and equipment	25% reducing balance
Motor vehicles	25% reducing balance

2.5 Impairment

The carrying values of the company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying value of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

2.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the distribution of garments net of discounts and value added tax is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Commission receivable is earned when the supplier delivers goods to the end customers.

2.7 Leasing

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

2.8 Investments

Investments in subsidiary undertakings are stated at cost, less provision for impairment.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase price and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using the FIFO method. Net realisable value represents the estimated selling price.

2.10 Employee benefits

Obligations for contributions to the defined contribution pension scheme are charged to the income statement in the period to which they relate.

2.11 Taxation

Income tax expense represents the current tax payable and deferred tax provisions.

– Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

– Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

2.12 Foreign currencies

Transactions in currencies, other than pounds sterling, are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Foreign exchange differences arising on translation are included in the income statement in the period in which they arise.

2.13 Factored debts

Factored debts are shown as gross assets within trade receivables and a corresponding liability is shown in respect of proceeds received within payables. The interest and factoring charges are recognised in the income statement during the period to which they relate using the effective interest method.

2.14 Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.15 Financial instruments

The company does not use or trade derivative financial instruments. Financial instruments that the company uses are non-derivative and are recognised initially at fair value. Subject to initial recognition, non-derivative financial instruments are measured as described as follows:

- **Trade and other receivables**

  Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. This also includes factored debts as described in note 2.13.

- **Trade and other payables**

  Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are stated at their nominal value.

- **Cash and cash equivalents**

  Cash for the purposes of the statement of cash flows comprises cash at bank and in hand. Cash equivalents are short term liquid investments convertible into cash and are subject to insignificant risk of changes in value. Bank overdrafts which form part of cash and cash equivalents for the purpose of the cash flow statements are shown under current liabilities.

3. Significant judgements and estimates

The preparation of the company's financial statements in conforming with IFRSs require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and

FX Import Company Limited

estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimates is contained in either the accounting policies or in the notes to the financial statements. These are listed below:

- No deferred tax asset has been recognised in respect of unutilised losses because in the directors' opinion there is no certainty that the losses will be fully utilised in the near future.

4. **Revenue**

a) **Company's activities**

The company's activity is in a single business segment, being the importing and distribution of garments.

b) **Revenues by geographical market customer location**

The company's operations are located primarily in the UK and the business activity is reportable as follows:

	2015 £	2014 £
Analysis of revenue by category:		
Sale of garments	2,202,480	3,161,974
Commission receivable	1,611,670	1,857,354
	3,814,150	5,019,328
Analysis of revenues by geographical market and customer location are as follows:		
UK	2,202,480	2,761,961
Rest of the World	1,611,670	2,257,367
	3,814,150	5,019,328

5. **Operating profit/ (loss)**

Operating profit/ (loss) has been arrived at after charging:

Amortisation of intangible assets	1,290	1,289
Depreciation of property, plant and equipment	3,018	4,024
(Profit) on foreign exchange transactions	(34,133)	(20,692)
Staff costs (see note 7 below)	914,737	1,013,423

Operating profit/ (loss) (continued)

Auditor remuneration

During the year, the company obtained the following services from the company's auditor:

Fees payable to the company's auditor:

Audit of annual financial statements	5,000	5,000
Review of the interim financial statements	5,800	4,350

6. **Other income**

Design income	91,821	197,370
Sundry income	963	5,218
	92,784	202,588

7. **Staff numbers and costs**

Employee costs include:

Staff wages and salaries	644,173	831,384
Directors' remuneration	100,000	100,000
Social security costs	71,369	81,230
Directors' pension costs – defined contribution plans	927	808
Staff redundancy costs	98,268	–
	914,737	1,013,422

The average number of employees (including directors) during the year was:

	2015 Number	2014 Number
Designer	8	8
Sales	11	8
Management and administration	2	3
	21	19

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

Directors' remuneration

Emoluments for qualifying services	115,658	108,003

8. **Finance costs**

	2015 £	2014 £
Bank and factoring interest paid	6,639	5,584
Hire purchase interest paid	–	300
	6,639	5,884

9. **Taxation for the year**

Income tax expense

Current tax expense:		
UK corporation tax	–	–
Total current tax	–	–
Reconciliation of current tax expense to accounting loss:		
Profit/ (loss) before taxation	420,260	225,855
Notional taxation charge at the UK corporation tax rate of 21% (2014: 23%)	88,255	51,947
Tax effects of:		
Expenses not deductible for tax purposes	1,451	1,322
Capital allowances in excess of depreciation	(130)	(94)
Tax losses utilised	(89,576)	(53,175)
Total current tax charge for the year	–	–

The company had unused tax losses of approximately £12,000 (2014: £439,000) available to carry forward against future trading profits.

No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The tax losses can be carried forward.

10. **Property, plant and equipment**

	Fixtures fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2014	19,318	27,362	46,680
Additions	–	–	–
At 31 March 2015	19,318	27,362	46,680
Accumulated depreciation			
At 1 April 2014	14,669	19,939	34,608
Charge for the year	1,162	1,856	3,018
At 31 March 2015	15,831	21,795	37,626
Carrying amount			
At 31 March 2015	3,487	5,567	9,054
At 31 March 2014	4,649	7,423	12,072

Cost			
At 1 April 2013	19,318	27,362	46,680
Additions	–	–	–
At 31 March 2014	19,318	27,362	46,680
Accumulated depreciation			
At 1 April 2013	13,120	17,464	30,584
Charge for the year	1,549	2,475	4,024
At 31 March 2014	14,669	19,939	34,608
Carrying amount			
At 31 March 2014	4,649	7,423	12,072
At 31 March 2013	6,198	9,898	16,096

11. Intangible assets

	Trademarks 2015 £	2014 £
Cost		
At the start of the year	9,745	9,745
Additions	–	–
At the end of the year	9,745	9,745
Amortisation		
At the start of the year	7,595	6,306
Charge for the year	1,290	1,289
At the end of the year	8,885	7,595
Net book value		
At the end of the year	860	2,150
At the start of the year	2,150	3,439

12. Investment in subsidiary

Shares in subsidiary undertaking		
At the beginning of the year/ end of the year	865	865

Investment in group undertakings are recorded at cost, which is the fair value of the consideration paid.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

Company	Country of registration or Incorporation	Class	Shares held %
Subsidiary undertakings			
FX Import Hong Kong Limited	Hong Kong	Ordinary	100

The aggregate amount of capital and reserves and the results of the undertakings at 31 March 2015 were as follows:

	Principal activity	Capital and reserves £	Profit for the year £
FX Import Hong Kong Limited	Importing and distribution of garments	269,506	15,968

13. Inventories

	2015 £	2014 £
Finished goods and goods for resale	9,193	58,766

14. Trade and other receivables

Trade receivables	481,973	341,116
Other receivables	93,539	117,168
Prepayments	8,336	9,209
Receivables from subsidiary company542,019		407,435
Receivables from fellow subsidiary undertakings	–	197,251
	1,125,867	1,072,179

As at 31 March 2015, none of the trade receivables were overdue.

The average credit period given for trade receivables at the end of the year is 45 days (2014: 25 days).

All amounts are due to be recovered within 12 months of the balance sheet date. The fair value of trade and other receivables is the same as the carrying value shown above.

The maximum exposure to credit risk for trade and other receivables is represented by their carrying amount. The company does not have a significant concentration of credit risk for its trade receivables because they are all factored and its customer base is large and unrelated.

15. Trade and other payables

Trade payables	152,208	422,622
Payables to parent undertaking	566,176	796,838
Payables to related parties	229,902	66,642
Social security and other taxes	15,243	14,333
Accrued expenses	93,522	127,013
	1,057,048	1,427,448

Trade payables and accrued expenses mainly comprise of amounts owed for trading purchases and associated costs.

Included within trade payables are gross loans secured against trade receivable balances. These amounted to £78,325 (2014: £159,142).

All trade and other payables are due to be paid within 12 months of the balance sheet date. The fair value of trade and other payables are the same as the carrying value shown above.

16. Borrowings

Loan from parent undertaking	451,500	451,500
Loans from related parties	62,000	62,000
Loans from other creditors	62,000	62,000
	575,500	575,500
The borrowings are repayable as follows:		
In the third to fifth years inclusive	575,500	575,500
	575,500	575,500
Less: Amount due for settlement within 12 months (shown under current liabilities)	–	–
Amount due for settlement after 12 months	575,500	575,500

17. Deferred tax

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of the following items:

Tax losses	–	87,776
Original and reversal of temporary differences	–	1,626
	–	89,402

Deferred tax assets have not been recognised in respect of the losses due to uncertainty of full and immediate utilisation of these losses.

FX Import Company Limited

18. Share capital

	2015	2014
	£	£
Issued and fully paid		
25,200 Ordinary 'A' shares of £1 each	25,200	25,200

19. Retained earnings

	2015	2014
Balance at the start of the year	(722,280)	(948,135)
Profit/ (loss) for the year	420,260	225,855
Balance at the end of the year	(302,020)	(722,280)

20. Operating lease arrangements

	2015	2014
Minimum lease payments under operating lease recognised in the statement of comprehensive income for the year	–	–
Land and buildings		
Within one year	29,955	28,200
Between two and five years	83,640	113,775
	113,595	141,975

Operating lease payments represent rentals payable by the company for a lease arrangement entered into by the parent company, Poeticgem Limited, on behalf of the company.

21. Notes to the cash flow statement

Cash flows from operating activities

	2015	2014
Profit from operations	426,899	231,739
Adjustments for:		
Depreciation of property, plant and equipment	3,018	4,024
Amortisation of intangible assets	1,290	1,289
Operating cash flows before working capital	431,207	237,052
(Increase) /decrease in stock	49,573	(38,232)
Decrease / (increase) in receivables	(53,688)	342,007
(Decrease) / increase in payables	(370,400)	(512,682)
Cash generated from operations	56,692	28,145

22. Related party transactions

During the year, the following transactions were carried out with Mr C R Severs, a director of the company who also owns 25% of the shareholding of the company:

- Year end balances arising from services provided

	2015	2014
Receivable from Chris Severs	62,940	87,704

- Loans from directors

	2015	2014
	£	£
Long term loan	62,000	62,000

During the year, the company entered into the following transactions with related parties:

	Sales/ FOB transfers/ Rent/Commission received 2015	2014	Management charges/ Commission paid/ purchases/expenses 2015	2014	Amounts owed to/ (by) related party 2015	2014
	£	£	£	£	£	£
Poeticgem Limited, UK	–	–	200,875	477,663	1,017,673*	1,248,338*
Pacific Logistics Limited, UK	–	–	–	505	–	–
Norwest Industries Limited, Hong Kong	–	2,087	86,489	123,059	229,902	65,253
FX Import Hong Kong Limited, Hong Kong	1,521,155	1,811,506	–	–	(542,019)	(407,435)
Zamira Fashions Hong Kong Limited, Hong Kong	91,821	197,370	–	–	–	(180,323)
Simple Approach Limited, Hong Kong	–	–	–	–	–	1,389
Nor Europe Manufacturing Co. Limited, Hong Kong	–	19,100	–	–	–	(16,928)

The above companies are related as follows:

Poeticgem Limited owns 75% share capital of FX Import Company Limited.

Pacific Logistics Limited is a fellow subsidiary company.

Norwest Industries Limited, Hong Kong, Zamira Fashions Hong Kong Limited, Hong Kong, Simple Approach Limited, Hong Kong and Nor Europe Manufacturing Co, Limited, Hong Kong are fellow subsidiaries of Global Textile Group Limited, parent company of Poeticgem Limited.

FX Import Hong Kong Limited is a wholly owned subsidiary of FX Import Company Limited.

The above balances are interest free and repayable on demand.

Poeticgem Limited has given an unlimited guarantee on certain of the banking facilities of FX Import Company Limited. At the balance sheet date, no exposure arises on this guarantee.

*This balance includes a long-term loan of £451,500 (2014: £451,500).

24. Capital commitments

The company has no significant capital commitments at 31 March 2015.

25. Contingent liabilities

At the balance sheet date, the company's bankers, HSBC Bank PLC, have provided a guarantee on behalf of the company to HM Revenue and Customs amounting to £150,000. The company's maximum contingent liability under this guarantee as at 31 March 2015 is £150,000.

The company has extended an Unlimited Multilateral Guarantee on 8 August 2012 to its parent and fellow subsidiaries, Poeticgem Limited and Pacific Logistics Limited.

The bank has a fixed charge over the assets of the company which is supported by a debenture dated 28 August 2012.

26. Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimization of the equity balance. The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and retained earnings. The company also receives borrowings from its parent and fellow group companies.

27. Financial risk management

The following section provides quantitative and qualitative disclosures on the effect that these risks have upon the company.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available the company uses other publicly available financial information. The company's exposure and the credit ratings of its counterparties are continuously monitored.

₹The company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics.

The company's principal financial assets are receivables and cash at bank.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors forecasts of the company's liquidity reserve, comprising cash and cash equivalents, on the basis of expected cash flow. At 31 March 2015, the company held cash and cash equivalents of £209,889 (2014: £159,836). It also receives borrowings of which £575,500 (2014: £575,500) was outstanding at the year end.

i) **Currency exposures**

The following table details the company's exposure at the balance sheet date to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	US dollar
	$
At 31 March 2015	
Trade and other receivables	804,159
Cash and cash equivalents	214,881
Trade payables	(486,404)
Net exposure arising from recognised assets and liabilities	532,636
At 31 March 2014	
Trade and other receivables	328,162
Cash and cash equivalents	25,724
Trade payables	(202,597)
Net exposure arising from recognised assets and liabilities	151,289

ii) **Sensitivity analysis**

The company is exposed to a number of foreign currencies. The most significant transactional currency exposure is US dollar with sterling.

The following table demonstrates the sensitivity to a possible change if the sterling weakened/strengthened by 10% against the US dollar, with all other variables held constant, on the company's profit or loss and the company's equity.

	Increase/ (decrease) in profit before tax $	Increase/ (decrease) in equity $
2015		
10% weakened	(53,264)	(53,264)
10% strengthened	53,264	53,264
2014		
10% weakened	(15,129)	(15,129)
10% strengthened	15,129	15,129

28. **Control**

The controlling party of the company is Poeticgem Limited by virtue of its 75% ownership of the ordinary share capital and overall board control.

The ultimate parent company is PDS Multinational Fashions Limited, a company registered in India. PDS Multinational Fashions Limited prepares group financial statements and copies can be obtained from Corporate Office: No. 2339, II Floor, Krishna Complex, 17th Cross, HSR Layout, Sector-I, Bangalore-560102, Karnataka.

PDS Multinational Fashions Limited is listed on the Bombay Stock Exchange and National Stock Exchange in India.

	2015		2014	
	£	£	£	£
Turnover				
Sales		2,202,480		3,161,974
Commission receivable		1,611,670		1,857,354
		3,814,150		5,019,328
Cost of revenue				
Opening stock of finished goods	58,766		20,534	
Purchases, packaging and other direct costs	1,736,565		2,836,077	
	1,795,331		2,856,611	
Closing stock of finished goods	(9,193)		(58,766)	
		(1,786,138)		(2,797,845)
Gross profit		2,028,012		2,221,483
Other income		92,784		202,588
Distribution costs	(114,433)		(78,809)	
Administrative expenses	(1,579,464)		(2,113,523)	
		(1,693,897)		(2,192,332)
Operating profit/ (loss)		426,899		231,739
Finance costs		(6,639)		(5,884)
Profit/ (loss) before taxation		420,260		225,855

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
Distribution costs		
Agents' commission	114,433	78,809
Administrative expenses		
Wages and national insurance	715,812	912,614
Directors' remuneration	100,000	100,000
Directors' pension costs	927	808
Staff recruitment	7,200	7,200
Staff redundancy	98,268	–
Rents, rates and water	131,663	208,086
Infrastructure costs	–	165,000
Corporate management charge	62,365	64,732
Insurance and medical insurance	29,249	32,189
Light, heat and power	887	403
Repairs and maintenance	5,204	5,075
Printing, postage, stationery and advertising	32,576	18,689
Telephone	22,711	16,093
Computer expenses	11,392	14,209
Courier expenses	39,251	54,710
Entertainment, travelling and motor expenses	137,414	227,259
Sample costs	182,588	245,731
Legal and professional fees	6,414	9,428
Consultancy fees	3,633	12,401
Audit fees	10,800	9,350
Finance and bank charges	7,155	15,152
Sundry expenses	3,781	103
Bad and doubtful debts	–	9,670
Exchange difference	(34,133)	(20,692)
Amortisation on trademarks	1,290	1,289
Depreciation on fixtures, fittings and equipment	1,162	1,549
Depreciation on motor vehicles	1,856	2,475
	1,579,464	2,113,523

FX Import Hong Kong Limited

THE DIRECTORS PRESENT THEIR REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED

31 March 2015.

Principal activity

The principal activity of the Company is the trading of garments. There was no significant change in the nature of the Company's principal activity during the year.

Results and dividends

The Company's profit for the year ended 31 March 2015 and its state of affairs at that date are set out in the financial statements on pages 5 to 23.

The directors do not recommend the payment of any dividend in respect of the year.

Property, plant and equipment

Details of movements in the Company's property, plant and equipment during the year are set out in note 7 to the financial statements.

Directors

The directors of the Company during the year were:

Christopher Robert Severs

Deepak Kumar Seth

Pallak Seth

Payel Seth

In accordance with the Company's articles of association, all directors will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in transactions, arrangements or contracts

No director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

[Name of Chairman]

Hong Kong

19 May 2015

INDEPENDENT AUDITORS' REPORT

To the members of FX Import Hong Kong Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of FX Import Hong Kong Limited (the "Company") set out on pages 5 to 23, which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

To the members of FX Import Hong Kong Limited

(Incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

19 May 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	3	106,208,029	119,261,586
Cost of sales		(78,819,336)	(89,438,558)
Gross profit		27,388,693	29,823,028
Other income and gains	3	9,886	1,557,821
Selling and distribution costs		(21,617,263)	(28,815,720)
Administrative expenses		(5,203,786)	(1,810,034)
Other operating expenses		(393,820)	–
PROFIT BEFORE TAX	4	183,710	755,095
Income tax credit	6	–	297,726
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		183,710	1,052,821

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	7	32,378	11,362
Deposits		102,736	–
Total non-current assets		135,114	11,362
CURRENT ASSETS			
Trade and bills receivables	8	13,000,248	12,134,835
Deposits and other receivables		205,845	87,525
Cash and cash equivalents		3,658,256	3,586,234
Total current assets		16,864,349	15,808,594

CURRENT LIABILITIES	Notes	2015 HK$	2014 HK$
Trade payables		6,819,687	6,188,755
Other payables and accruals	9	7,079,157	6,714,292
Total current liabilities		13,898,844	12,903,047
NET CURRENT ASSETS		2,965,505	2,905,547
Net assets		3,100,619	2,916,909
EQUITY			
Share capital	10	10,000	10,000
Retained profits		3,090,619	2,906,909
Total equity		3,100,619	2,916,909

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Share capital HK$	Retained profits HK$	Total equity HK$
At 1 April 2013	10,000	1,854,088	1,864,088
Profit and total comprehensive income for the year	–	1,052,821	1,052,821
At 31 March 2014 and at 1 April 2014	10,000	2,906,909	2,916,909
Profit and total comprehensive income for the year	–	183,710	183,710
At 31 March 2015	10,000	3,090,619	3,100,619

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		183,710	755,095
Adjustments for:			
Interest income	3	(9,886)	(9,234)
Depreciation	4	12,076	325
		185,900	746,186
Decrease/(increase) in trade and bills receivables		(865,413)	10,922,633
Increase in deposits and other receivables		(221,056)	(87,525)
Increase/(decrease) in trade payables		630,932	(4,855,330)
Increase/(decrease) in other payables and accruals		364,865	(5,150,761)
Cash generated from operations		95,228	1,575,203
Interest received		9,886	9,234
Hong Kong profits tax refunded		–	93,900
Net cash flows from operating activities		105,114	1,678,337
CASH FLOW FROM AN INVESTING ACTIVITY			
Purchase of an item of property, plant and equipment		(33,092)	(11,687)
NET INCREASE IN CASH AND CASH EQUIVALENTS		72,022	1,666,650
Cash and cash equivalents at beginning of year		3,586,234	1,919,584
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,658,256	3,586,234
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,658,256	3,586,234

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

1. CORPORATE INFORMATION

FX Import Hong Kong Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the Company was engaged in the trading of garments.

The Company is a wholly-owned subsidiary of FX Import Co. Ltd., a company incorporated in the United Kingdom. On 13 May 2014, the share capital of Multinational Textiles Group Limited was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, subsequent to the said share capital transfer, the Company's ultimate holding company changed from Pearl Global Industries Limited to PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs became effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rate used for office equipment is 33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to profit or loss on the straight-line basis over the lease terms.

FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, and financial liabilities included in other payables and accruals.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) interest income, on an accrual basis using the effective interest method.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

An analysis of other income and gains is as follows:

	2015 HK$	2014 HK$
Foreign exchange gains, net	–	1,548,587
Interest income	9,886	9,234
	9,886	1,557,821

4. PROFIT BEFORE TAX

	2015	2014
The Company's profit before tax is arrived at after charging/(crediting):		
Auditors' remuneration	95,190	94,900
Depreciation	12,076	325
Minimum lease payments under operating leases of of land and buildings	441,266	175,050
Staff costs (excluding directors' remuneration (note 5)):		
Salaries and allowances	2,849,348	403,487
Pension scheme contributions (defined contribution scheme)	10,620	9,175
	2,859,968	412,662
Foreign exchange differences, net	393,820	(1,548,587)

5. DIRECTORS' REMUNERATION

None of the directors received any fees or emoluments in respect of their services rendered to the Company during the year (2014: Nil).

FX Import Hong Kong Limited

6. INCOME TAX

No provision for Hong Kong profits tax has been made for the year as the Company did not generate any assessable profits in Hong Kong during the year. In the prior year, Hong Kong profits tax had been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during that year.

	2015 HK$	2014 HK$
Charge for the year	–	–
Overprovision in prior years	–	(297,726)
Tax credit for the year	–	(297,726)

A reconciliation of the tax expense applicable to profit before tax at the Hong Kong statutory rate to the tax charge at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, is as follows:

	2015		2014	
	HK$	%	HK$	%
Profit before tax	183,710		755,095	
Tax at the statutory tax rate	30,312	16.5	124,591	16.5
Adjustments in respect of current tax of prior years	–	–	(297,726)	(39.4)
Income not subject to tax	(30,312)	(16.5)	(124,591)	(16.5)
Tax at the effective tax rate	–	–	(297,726)	(39.4)

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK$
31 March 2015	
At 31 March 2014 and 1 April 2014:	
Cost	11,687
Accumulated depreciation	(325)
Net carrying amount	11,362
At 1 April 2014, net of accumulated depreciation	11,362
Addition	33,092
Depreciation provided during the year	(12,076)
At 31 March 2015, net of accumulated depreciation	32,378
At 31 March 2015:	
Cost	44,779
Accumulated depreciation	(12,401)
Net carrying amount	32,378
31 March 2014	
At 1 April 2013, net of accumulated depreciation	–
Addition	11,687
Depreciation provided during the year	(325)
At 31 March 2014, net of accumulated depreciation	11,362
At 31 March 2014:	
Cost	11,687
Accumulated depreciation	(325)
Net carrying amount	11,362

8. TRADE AND BILLS RECEIVABLES

	2015 HK$	2014 HK$
Trade receivables	11,745,268	10,468,880
Bill receivables	1,254,980	1,665,955
	13,000,248	12,134,835

The Company's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days, extending up to 90 days for major customers. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

The aged analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

Neither past due nor impaired	10,667,558	11,474,476
Past due but not impaired:		
Less than one month	955,498	–
One to three months	719,786	660,359
Over three months	657,406	–
	13,000,248	12,134,835

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of customers that have had a good track record with the Company. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

9. OTHER PAYABLES AND ACCRUALS

Accrued employee benefits	177,554	139,198
Other payables	–	20,765
Accruals	33,690	64,346
Due to the immediate holding company	6,256,359	4,818,158
Due to a fellow subsidiary	611,554	1,671,825
	7,079,157	6,714,292

The balances with the immediate holding company and a fellow subsidiary are unsecured, interest free and have no fixed terms of repayment.

10. SHARE CAPITAL

Issued and fully paid:		
10,000 (2014: 10,000) ordinary shares	10,000	10,000

11. OPERATING LEASE ARRANGEMENTS

The Company leases its office premises under operating lease arrangements and the leases are negotiated for an original term of two to four years.

At the end of the reporting period, the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	443,137	354,132
In the second to fifth years, inclusive	531,198	885,330
	974,335	1,239,462

12. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

	Notes	2015 HK$	2014 HK$
Immediate holding company:			
Commission paid	(i)	18,196,419	21,422,152
Fellow subsidiary:			
Commission paid	(i)	3,420,844	7,249,274
Human resources support expenses	(ii)	228,696	222,000

Notes:

(i) The commissions paid were in relation to sourcing services rendered by the immediate holding company and a fellow subsidiary, and were charged at rates agreed between the Company and the respective related parties.

(ii) The human resources support expenses were charged by a fellow subsidiary based on rates agreed between the Company and the fellow subsidiary.

13. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Company comprise trade and bills receivables, deposits and other receivables, and cash and cash equivalents which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements. The financial liabilities of the Company comprise trade payables, and financial liabilities included in other payables and accruals, which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position or disclosed in the corresponding notes to the financial statements.

14. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade and bills receivables, deposits and other receivables, cash and cash equivalents, trade payables, and financial liabilities included in other payables and accruals approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Company did not have any financial assets and liabilities measured at fair value as at the end of each reporting period.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Foreign currency risk

The Company has transactional currency exposures. Such exposures mainly arise from sales or purchases in currencies (mainly British Pound Sterling ("GBP")) other than the functional currency of the Company. The Company manages its foreign currency risk by monitoring closely the movements in exchange rates.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the GBP exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in the GBP exchange rate %	Increase/ (decrease) in profit before tax HK$	Increase/ (decrease) in equity HK$
31 March 2015			
If HK$ weakens against GBP	1	1,344,569	1,344,569
If HK$ strengthens against GBP	(1)	(1,344,569)	(1,344,569)
31 March 2014			
If HK$ weakens against GBP	1	1,141,754	1,141,754
If HK$ strengthens against GBP	(1)	(1,141,754)	(1,141,754)

Credit risk

The carrying amounts of deposits and other receivables, cash and cash equivalents and trade and bills receivables represent the Company's maximum exposure to credit risk in relation to financial assets. The Company's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Company has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The maximum exposure for trade receivables is the carrying amount as disclosed in note 8 to the financial statements. At the end of the reporting period, 55% (2014: 64%) of the Company's trade receivables were due from the Company's top customer.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to its shareholder, return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2015 and 31 March 2014.

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 May 2015.

Pacific Logistics Limited

COMPANY INFORMATION

Directors	Mr Anuj Banaik
	Mrs Payel Seth
Secretary	Mr Krishna Kanodia
Company number	04944346
Registered office	Quadrant House - Floor 6
	4 Thomas More Square
	London
	E1W 1YW
Auditor	UHY Hacker Young LLP
	Quadrant House
	4 Thomas More Square
	London
	E1W 1YW

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the company is the provision of logistics services to the clothing industry.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend for the year.

Directors

The following directors have held office since 1 April 2014:

Mrs Payel Seth

Mr Anuj Banaik

Mrs Faiza Habeeb Seth (resigned 3 October 2014)

Auditor

The auditors, UHY Hacker Young, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the financial information included on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant information of which the company's auditor is unaware; and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

……………………

Mr Anuj Banaik

Director

18 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PACIFIC LOGISTICS LIMITED

FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Pacific Logistics Limited for the year ended 31 March 2015, which comprise the income statement, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report.

Sd/-

Vinodkumar Vadgama (Senior Statutory Auditor)

for and on behalf of UHY Hacker Young

Chartered Accountants

Statutory Auditor

19 May 2015

	Notes	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Continuing operations			
Revenue	4	6,424	363,551
Cost of revenue		(27,135)	(344,511)
Gross profit		(20,711)	19,040
Operating expenses			
Administration expenses		(73,271)	(336,698)
Other operating income		–	1,978
Operating loss	5	(93,982)	(315,680)
Finance costs	7	(359)	(2,245)
Loss before taxation		(94,341)	(317,925)
Taxation	8	–	–
Loss for the financial year	16	(94,341)	(317,925)

None of the company's activities were discontinued in the year.

There are no other comprehensive income and expenses, other than those passing through the income statement.

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Notes	2015	2014
Non current assets			
Property, plant and equipment	9	–	64,797
Deferred tax assets	14	6,109	6,109
Trade and other receivables	11	303,142	270,934
		309,251	341,840
Current assets			
Trade and other receivables	11	1,537	20,928
Cash and cash equivalents		9,656	19,531
		11,193	40,459
Total assets		320,444	382,299
Current liabilities			
Trade and other payables	12	(673,762)	(641,276)
		(673,762)	(641,276)
Net current liabilities		(662,569)	(600,817)
Non current liabilities			
Borrowings	13	(1,617)	(1,617)
		(1,617)	(1,617)
Total liabilities		(675,379)	(642,893)
Net assets/ (liabilities)		(354,935)	(260,594)
Shareholders' equity			
Share capital	15	10,000	10,000
Retained earnings	16	(364,935)	(270,594)
Total equity		(354,935)	(260,594)

The financial statements were approved by the board of directors and authorised for issue on 18 May 2015 and were signed on its behalf by:

Mr Anuj Banaik

Director

Company registration no. 04944346

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2013	10,000	47,331	57,331
Comprehensive income			
Loss for the year	–	(317,925)	(317,925)
Balance at 1 April 2014	10,000	(270,594)	(260,594)
Comprehensive income			
Loss for the year	–	(94,341)	(94,341)
Balance at 31 March 2015	10,000	(364,935)	(354,935)

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Cash flows from operating activities			
Cash (used) in/ generated by operations	18	(46,716)	(32,473)
Finance costs		(359)	(2,245)
Net cash (used) in/ generated by operating activities		(47,075)	(34,718)
Tax paid		–	–
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		37,200	13,794
Net cash generated from/ (used) in investing activities		37,200	13,794
Cash flows from financing activities			
Capital element of hire purchase contracts repayments		–	(11,336)
Net cash used in financing activities		–	(11,336)
Net decrease in cash and cash equivalents		(9,875)	(32,260)
Cash and cash equivalents at the start of the year		19,531	51,791
Cash and cash equivalents at the end of the year		9,656	19,531
Cash and cash equivalents comprise:			
Cash at bank and in hand		9,656	19,531

The notes on pages 10 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. **General information**

   Pacific Logistics Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The principal activity of the company is disclosed in the Directors' Report on page 2.

   These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2. **Summary of significant accounting policies**

   The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

   Basis of preparation

   The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRSs.

Pacific Logistics Limited

2.1 Going concern

The financial statements have been prepared on a going concern basis even though at the Balance Sheet date, the company's current liabilities exceeded its current assets by £662,569 (2014: £600,817).

The directors consider the going concern basis to be appropriate because, in their opinion, the company will continue to obtain sufficient funding from its fellow group companies to enable it to pay its debts as they fall due. If the company were unable to obtain this funding, it would be unable to continue trading and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	over the lease term
Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	25%-33.33% reducing balance
Motor vehicles	25% reducing balance

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

2.3 Impairment

The carrying values of the company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying value of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

– Rendering of logistic services

Revenue represents amounts receivable from the provision of logistics services net of discounts and value added tax. Revenue is recognised when the amount of revenue can be measured reliably and the economic benefits associated with the transaction have been received by the company.

2.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2.6 Taxation

Income tax expense represents the current tax payable and deferred tax provisions.

– Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

– Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2. Summary of significant accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

2.7 Foreign currencies

Transactions in currencies, other than pounds sterling, are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Foreign exchange differences arising on translation are included in the income statement in the period in which they arise.

2.8 Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.9 Financial instruments

The company does not use or trade derivative financial instruments. Financial instruments that the company uses are non-derivative and are recognised initially at fair value. Subject to initial recognition, non-derivative financial instruments are measured as described as follows:

- Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

- Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are stated at their nominal value.

- Cash and cash equivalents

Cash for the purposes of the cash flow statement comprises cash at bank and in hand. Cash equivalents are short term liquid investments convertible into cash and are subject to insignificant risk of changes in value. Bank overdrafts which form part of cash and cash equivalents for the purpose of the cash flow statements are shown under current liabilities.

- Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

3. Significant judgements and estimates

The preparation of the company's financial statements in conforming with IFRSs require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimates is contained in either the accounting policies or in the notes to the financial statements. There are no significant estimates in the current year.

4. Revenue

The total revenue of the company for the year has been derived from its principal activity, excluding value added tax and is reportable as follows:

Analysis of revenue by geographical market and customer allocation as follows:

	2015 £	2014 £
United Kingdom	6,424	363,551
	6,424	363,551

	2015 £	2014 £
5. Operating loss		
Operating loss has been arrived at after charging:		
Staff costs (see note 6 below)	12,033	121,514
Depreciation of property, plant and equipment	7,577	24,251
Loss/ (Profit) on foreign exchange transactions	(32,070)	24,954
Profit on disposal of property, plant and equipment	20,020	(2,120)

Auditor remuneration

During the year, the company obtained the following services from the company's auditor and its associates:

Fees payable to the company's auditor:		
Audit of annual financial statements	5,000	5,000
Fees payable to the company's auditor and its associates for other services:		
Review of the interim financial statements	3,225	3,225

6. Staff numbers and costs

Employee costs include:		
Staff wages and salaries	11,430	113,643
Social security costs	603	7,871
	12,033	121,514

The average number of employees (including directors) during the year was:

	2015 Number	2014 Number
Management and administration	1	2
Warehouse staff	–	2
	1	4
Directors' emoluments		
Emoluments for qualifying services	–	–

7. Finance costs

	2015 £	2014 £
Interest on bank overdrafts	359	1,810
Interest on obligations under hire purchase contracts	–	435
	359	2,245

8. Taxation for the year

Income tax expense		
Current tax expense		
UK corporation tax	–	–
Adjustment for prior year	–	–
Deferred tax:		
Origination and reversal of temporary differences	–	–
Income tax expense	–	–
Reconciliation of current tax expenses to accounting loss:		
Profit/ (Loss) before taxation	(94,341)	(317,925)
Notional taxation charge at the UK corporation tax rate of 21% (2014: 23%)	(19,812)	(73,123)
Tax effects of:		
Expenses not deductible for tax purposes	–	14
Depreciation in excess of capital allowances	2,715	566
Group relief surrendered	17,097	72,543
Adjustment in respect of prior years	–	–
Total current tax charge for the year	–	–

9. Property, plant and equipment

	Land and Buildings Leasehold £	Plant and machinery £	Fixtures fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2014	29,442	487,190	120,225	6,450	643,307
Additions					
Disposals	(29,442)	(487,190)	(120,225)	(6,450)	(643,307)
At 31 March 2015	–	–	–	–	–
Accumulated depreciation					
At 1 April 2014	29,442	430,952	112,485	5,631	578,510
Charge for the year		6,312	1,214	51	7,577
On disposals	(29,442)	(437,264)	(113,699)	(5,682)	(586,087)
At 31 March 2015	–	-	-	-	-
Carrying amount					
At 31 March 2015	–	-	-	-	–
At 31 March 2014	–	56,238	7,740	819	64,797

10. Property, plant and equipment

Cost					
At 1 April 2013	29,442	488,190	120,225	53,282	691,139
Disposals	–	(1,000)	–	(46,832)	(47,832)
At 31 March 2014	29,442	487,190	120,225	6,450	643,307
	=======	=======	=======	=======	=======
Accumulated depreciation					
At 1 April 2013	29,442	413,234	108,902	38,839	590,417
Charge for the year	–	18,718	3,583	1,950	24,251
On disposals	–	(1,000)	–	(35,158)	(36,158)
At 31 March 2014	29,442	430,952	112,485	5,631	578,510
Carrying amount					
At 31 March 2014	–	56,238	7,740	819	64,797
At 31 March 2013	–	74,956	11,323	14,443	100,722

Assets held under hire purchase contracts have the following carrying amount:

	Motor vehicles 2014 £	2013 £
Cost	–	25,898
Accumulated depreciation	–	(16,566)
Carrying amount	–	9,332

11. Trade and other receivables

Current assets		
Trade receivables	–	12,767
Other receivables	737	4,353

Pacific Logistics Limited

Prepayments	800	3,808
	1,537	20,928

All amounts are due to be recovered within 12 months of the balance sheet date. The fair value of trade and other receivables is the same as the carrying value shown above.

Non-current assets

Other receivables	303,142	270,934

The average credit period given for trade receivables at the end of the year is nil days (2014: 13 days).

At 31 March 2015, the ageing analysis of trade receivables is as follows:

		Overdue but not impaired	
	Total £	**<3 months** £	**>3 months** £
2015	–	–	–
2014	8,984	8,984	–

The maximum exposure to credit risk for trade and other receivables is represented by their carrying amount. The company does not have a significant concentration of credit risk for its trade receivables because its customer base is large.

12. Trade and other payables

	2015 £	**2014** £
Trade payables	2,192	3,529
Payables to parent company (note 22)	666,570	631,422
Social security and other taxes	–	1,325
Accrued expenses	5,000	5,000
	673,762	641,276

All trade payables are due to be paid within 12 months of the balance sheet date. The fair value of trade and other payables is the same as the carrying value shown above.

13. Borrowings

Loan from related party (note 22)	1,617	1,617

This represents an unpaid interest free loan from Poeticgem Limited, the parent company.

The carrying value of all the company's long-term borrowings approximate to their fair value as at the balance sheet date.

14. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets	6,109	6,109

The gross movement on the deferred tax account is as follows:

At the start of the year	6,109	6,109
At the end of the year	6,109	6,109

The movement in deferred income tax assets during the year is as follows:

	Decelerated tax depreciation £
At 1 April 2013	6,109
Tax credit to income statement	–
At 31 March 2014	6,109
Tax credit to income statement	–
At 31 March 2015	6,109

15. Share capital

	2015 £	**2014** £
Issued and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

16. Retained earnings

Balance at the start of the year	(270,594)	47,331
Net loss for the year	(94,341)	(317,925)
Balance at the end of the year	(364,935)	(270,594)

17. Operating lease arrangements

Minimum lease payments under operating leases recognised in the income statement for the year	–	39,034

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Within one year	–	–
Between two and five years	–	–
	–	–

Operating lease payments represent rentals payable by the company.

18. Notes to the cash flow statement

Cash flows from operating activities

Loss from operations	(93,981)	(315,680)
Adjustments for:		
Depreciation of property, plant and equipment	7,577	24,251
Profit on disposal of property, plant and equipment	20,020	(2,120)
Operating cash outflow before working capital	(66,384)	(293,549)
Increase in receivables	(12,818)	183,345
Increase/ (Decrease) in payables	32,486	77,731
Cash (used) in/ generated from operations	(46,716)	(32,473)

19. Contingent liabilities

At the balance sheet date, the company's bankers, HSBC Bank plc, have provided a guarantee on behalf of the company to HM Revenue & Customs amounting to £75,000. The company's maximum contingent liability under this guarantee as at 31 March 2015 is £75,000.

The company has extended an Unlimited Multilateral Guarantee on 8 August 2012 to its parent and fellow subsidiaries, Poeticgem Limited and FX Import Company Limited.

The bank has a fixed and floating charge over the assets of the company as security.

20. Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the equity balance. The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and retained earnings.

21. Financial risk management

The following section provides quantitative and qualitative disclosures on the effect that these risks have upon the company.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available the company uses other publicly available financial information. The company's exposure and the credit ratings of its counterparties are continuously monitored.

The company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics.

The company's principal financial assets are receivables and cash at bank.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors forecasts of the company's liquidity reserve, comprising cash and cash equivalents, on the basis of expected cash flow. At 31 March 2015, the company held cash and cash equivalents of £9,656 (2014: £19,531).

Foreign currency risk

The company's functional and presentation currency and the majority of its spending are in GBP. As such, no exchange rate risk exists. The company has no deposit or loan facilities, hence is not affected by interest rate fluctuations.

22. Related party transactions

During the year, the company entered into the following transactions with related parties:

	related parties		related parties		Amounts owed by Revenue		Amounts owed to Purchases/expenses	
	2015 £	2014 £	2015 £	2014 £	2015 £	2014 £	2015 £	2014 £
Poeticgem Limited, UK	205	242,130	–	47,470	–	–	668,187?	633,039?
FX Import Company Limited, UK	–	–	–	505	–	–	–	–

The immediate parent company of Pacific Logistics Limited and FX Import Company Limited is Poeticgem Limited.

* These loans are interest free and repayable on demand.

* This includes £1,617 (2014: £1,617) interest free loan and is repayable on demand.

23. Control

The immediate parent company is Poeticgem Limited, a company registered in England and Wales and the ultimate parent company is PDS Multinational Fashions Limited, a company registered in India.

PDS Multinational Fashions Limited prepares group financial statements and copies can be obtained from Corporate Office: No. 2339, Krishna Complex, 17th Cross HSR Layout, Bangalore-560102, Karnataka, India.

PDS Multinational Fashions Limited is listed on the Bombay Stock Exchange and National Stock Exchange in India.

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2015

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2015 £	2014 £	2014 £
Turnover				
Handling and transport		–		177,808
Storage		6,424		100,613
Shipping handling		–		85,130
		6,424		363,551
Cost of revenue				
Wages and salaries	11,430		113,643	
Employer's NI contributions	603		7,871	
Temporary staff	50		104,234	
Consumables	–		5,431	
Carriage inwards and import duty	–		3,455	
Hire of plant and machinery	3,973		39,359	
Motor expenses re delivery	492		46,905	
Waste collection	4,276		4,895	
Depreciation on plant and machinery	6,311		18,718	
		(27,135)		(344,511)
Gross profit		(20,711)		19,040
Administrative expenses		(73,271)		(336,698)
		(93,982)		(317,658)
Other operating income				
Sundry income		–		1,978
Operating loss		(93,982)		(315,680)
Finance costs				
Bank interest paid	359		1,810	
Hire purchase interest payable	–		435	
		(359)		(2,245)
Loss before taxation		(94,341)		(317,925)

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
Administrative expenses		
Rent re operating leases	–	39,034
Rates	27,467	94,200
Insurance	5,349	11,558
Light and heat	13,860	27,315
Repairs and maintenance	21,913	81,116
Printing, postage and stationery	2,151	5,094
Telephone	1,284	4,615
Computer running costs	–	1,658
Motor running expenses	1,888	4,067
Travelling expenses	1,181	5,212
Legal and professional fees	–	12,123
Accountancy and book-keeping fees	–	6,890
Audit fees	5,000	5,136
Non audit fees	3,225	3,225
Bank charges	737	1,965
Staff welfare	–	5,123
Exchange difference	(32,070)	24,954
Depreciation on plant and equipment	1,215	3,583
Depreciation on motor vehicles	51	1,950
(Loss) / Profit on disposal of properties, plant and equipment	20,020	(2,120)
	73,271	336,698

Poetic Knitwear Limited

COMPANY INFORMATION

Directors	Mr Gary M Isaacs
	Mr Pallak Seth
	Mr Deepak K Seth
Secretary	Mr Krishna Kanodia
Company Number	06863593
Registered Office	Quadrant House - Floor 6
	4 Thomas More Square
	London
	E1W 1YW
Auditor	UHY Hacker Young LLP
	Quadrant House
	4 Thomas More Square
	London
	E1W 1YW

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Principal activities and review of the business

The principal activity of the company is that of import and distribution of knitwear clothing.

Results and dividends

The results for the year are set out on page 6.

Directors

The following directors have held office since 1 April 2014:

Mr Gary M Isaacs

Mr Pallak Seth

Mr Deepak K Seth

Auditor

The auditors, UHY Hacker Young, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently:
- make judgements and estimates that are reasonable and prudent:
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the financial information included on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant information of which the company's auditor is unaware: and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

……………………..................

Mr P Seth

Director

19 May 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF POETIC KNITWEAR LIMITED

FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Poetic Knitwear Limited for the year ended 31 March 2015, which comprise the income statement, balance sheet, the cash flow statement, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended:
- have been properly prepared in accordance with IFRSs as adopted by the EU and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 required us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us: or
- the financial statements are not in agreement with the accounting records and returns: or
- certain disclosures of directors' remuneration specified by law are not made: or
- we have not received all the information and explanations we require for our audit.

Vinodkumar Vadgama (Senior Statutory Auditor)

for and on behalf of UHY Hacker Young 20 May 2015

Chartered Accountants

Statutory Auditor

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Continuing operations			
Revenue		–	–
Cost of Revenue		–	–
Gross profit		–	–
Other income	4	–	–
Administrative expenses		(2,062)	(2,062)
(Loss)/profit for the year before taxation	5	(2,062)	(2,062)
Taxation	7	–	–
(Loss)/profit for the financial year	10	(2,062)	(2,062)

None of the company's activities were discontinued in the year.

There are no other comprehensive income and expenses other than those passing through the income statement.

The notes on page 10 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

	Notes	Year Ended 31 March 2015 £	Year Ended 31 March 2014 £
Current assets			
Cash and cash equivalents		1,816	1,439
Total assets		1,816	1,439
Current liabilities			
Trade and other payables	8	(697,168)	(694,729)
Net current liabilities		(695,352)	(693,290)
Total liabilities		(694,168)	(694,729)
Net assets (693,290)			(695,352)
Shareholder's equity			
Share capital 100		9	100
Retained earnings	10	(695,452)	(693,390)
Total equity		(695,352)	(693,290)

The financial statements were approved by the board of directors and authorised for issue on 19 May 2015 and were signed on its behalf by:

Mr P Seth

Director

Company registration no. 06863593

The notes on page 10 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £	Retained earnings £	Total £
Balance at 31 March 2013	100	(691,328)	(691,228)
Comprehensive income			
Profit for the year	–	(2,062)	(2,062)
Balance at 1 April 2014	100	(693,390)	(693,290)
Comprehensive income			
Loss for the year	–	(2,062)	(2,062)
Balance at 31 March 2015	100	(695,452)	(695,352)

The notes on page 10 to 16 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Year Ended 31 March 2015	Year Ended 31 March 2014
Cash flows from operating activities	£	£
(Loss)/profit for the year	(2,062)	(2,062)
Operating cash flows before movements in working capital	(2,062)	(2,062)
Decrease in payables	2,439	(61,562)
Net cash generated by operating activities	377	(63,624)
Net increase in cash and cash equivalents	377	(63,624)
Cash and cash equivalents at the start of the year	1,439	65,063
Cash and cash equivalents at the end of the year	1,816	1,439
Cash and cash equivalents comprise:		
Cash at bank and in hand	1,816	1,439

The notes on page 10 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. **General information**

Poetic Knitwear Limited is a company incorporated in England and Wales. The address of the registered office and principal activity of the company is given on pages 1 and 2.

These financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the company operates.

2. **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRSs.

2.1 **Going concern**

The financial statements have been prepared on a going concern basis even though at the Balance Sheet date the company's current liabilities exceeded its current assets by £695,352.

The directors consider the going concern basis to be appropriate because in their opinion, the company will continue to obtain sufficient funding from its fellow group companies to enable it to pay its debts as they fall due. If the company were unable to obtain this funding, it would be unable to continue trading and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise.

Poetic Knitwear Limited

2.2 **Property, plant and equipment**

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	–	over lease term for short lease
Fixtures, fittings and equipment	–	25% reducing balance

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

2.3 **Taxation**

Income tax expense represents the current tax payable and deferred tax provisions.

– **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable of deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

– **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

2.4 **Foreign currencies**

Transactions in currencies other than in pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Foreign exchange differences arising on translation are included in the income statement in the period in which they arise.

2.5 **Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.6 **Financial instruments**

The company does not use or trade derivative financial instruments. Financial instruments that the company uses are non-derivative and are recognised initially at fair value. Subject to initial recognition non-derivative financial instruments are measured as described as follows:

– **Trade and other payables**

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are stated at their nominal value.

– **Cash and cash equivalents**

Cash for the purpose of the statement of cash flows, comprises cash at bank and in hand. Cash equivalents are short term liquid investments convertible into cash and are subject to insignificant risk of change in value. Bank overdrafts which form part of cash and cash equivalents for the purpose of the statement of cash flows are shown under current liabilities.

3. **Significant judgements and estimates**

The preparation of the company's financial statements in conforming to IFRSs require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. Theses judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimates is contained in either the accounting policies or in the notes to the financial statements. There are no significant estimates in the current year.

4. **Other Income**

	2015 £	2014 £
Other income	–	–

5. **Operating profit/ (loss)**

Auditor remuneration

During the year the company obtained the following services from the company's auditor and its associates:

Fees payable to the company's auditor:		
Audit of annual financial statements	2,000	2,000

6. **Staff numbers and costs**

Employee costs include:		
Directors' remuneration	–	–
Social security costs	–	–
	–	–

The average number of employees (including directors) during the year was:

	No.	No.
Management and administration	3	3

7. **Taxation for the year**

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Income tax expense		
Current tax expense:		
UK corporation tax	–	–
Reconciliation of current tax expense to accounting loss		
(Loss)/profit before taxation	(2,062)	(2,062)
National taxation charge at the UK corporation tax rate of 21% (2014: 23%)	(433)	(474)
Tax effects on:		
Group relief surrendered	433	474
Total current tax charge for the year	–	–

8. **Trade and other payables**

Payable to parent company (note 13)	695,168	692,729
Accrued expenses	2,000	2,000
	697,168	694,729

Trade payables and accrued expenses mainly comprise of amounts owed for administrative costs.

All trade and other payables are due to be paid within 12 months of the balance sheet date. The fair value of all trade and other payables is the same as the carrying value shown above.

9. **Share capital**

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

10. **Retained earnings**

	Year ended 31 March 2015 £	Year ended 31 March 2014 £
Balance at the start of the year	(693,390)	(691,328)
Net profit/ (loss) for the year	(2,062)	(2,062)
Balance at the end of the year	(695,452)	(693,390)

11. **Capital risk management**

The company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the equity balance. The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and retained earnings.

12. **Financial risk management**

The following section provides quantitative and qualitative disclosures on the effect that these risks have upon the company.

Credit Risk

As the company has not traded in the year, it was not exposed to such risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors forecasts of the company's liquidity reserve, comprising cash and cash equivalents, on the basis of expected cash flow. At 31 March 2015, the company held cash and cash equivalents of £1,816 (2014: £1,439).

Foreign currency risk

The company has not undertaken any transactions denominated in foreign currencies. Hence, the company is not exposed to exchange rate fluctuations.

13. **Related party transactions**

During the year, the company entered into the following transactions with related parties:

	Other income received		Amounts owed to/ (by) related party	
	2015 £	2014 £	2015 £	2014 £
Poeticgem Limited, UK	–	–	695,168	692,729

The above companies are related as follows:

Poetic Knitwear Limited is 100% owned by Poeticgem Limited.

The above balances are interest free and repayable on demand.

14. **Control**

The immediate parent company is Poeticgem Limited, a company registered in England and Wales and the ultimate parent company is PDS Multinational Fashions Limited, a company registered in India. PDS Multinational Fashions Limited prepares group financial statements and copies can be obtained from Corporate Office: No. 2339, II Floor, Krishna Complex, 17th Cross, HSR Layout, Sector-I, Bangalore-560102, Karnataka.

PDS Multinational Fashions Limited is listed on the Bombay Stock Exchange and National Stock Exchange in India.

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2015

POETIC KNITWEAR LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Year ended 31 March 2015 £	£	Year ended 31 March 2014 £	£
Revenue	–		–	
Cost of revenue	–		–	
		–		–
Gross profit		–		–
Other income	–		–	
Administrative expenses	(2,062)		(2,062)	
	(2,062)		(2,062)	
Operating profit/(loss)		(2,062)		(2,062)

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2015

Administrative expenses	2015	2014
Audit fees	2,000	2,000
Bank charges	30	30
Sundry fees	32	32
	2,062	2,062

Razamtazz Limited

CORPORATE DATA

Director:	Deepak Kumar Seth(Appointed on 13 January 2014)
Payel Seth	(Appointed on 13 January 2014)
Pallak Seth	(Appointed on 13 January 2014)
Jayechund Jingree	(Appointed on 13 January 2014)
Sushil Kumar Jogoo	(Appointed on 13 January 2014)
City Executives Limited	(Resigned on 13 January 2014)
Registered agent:	Kross Border Corporate Services Limited
St Louis Business Centre	
CnrDesroches&St Louis Streets	
Port Louis	
Mauritius	
Auditor:	Lancasters
Chartered Accountants	
14, Lancaster Court	
Lavoquer Street	
Port Louis	
Mauritius	
Bankers:	HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre	
Ebene	
Mauritius	
	UBS AG Bank
	London

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of Razamtazz Limited (the "Company") for the year ended 31 March 2015

Principal activity

The principal activity of the Company is investing in properties.

Results and dividend

The results for the year are shown on page 5.

The directors do not recommend the payment of dividend for the year under review. (2014: NIL)

Statement of Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial period giving a true and fair view of the state of affairs of the Company and of the statement of profit or loss and other comprehensive income of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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 circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

By order of the Board of Directors

Director Date:

AUDITORS REPORT

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2015

	Note	2015 GBP	2014 GBP
Revenue	6	221,100	140,500
Expenses		(491,789)	(502,967)
Loss from operating activities		(270,689)	(362,467)
Finance income	7	35,490	73,040
Finance costs	7	(60,107)	(5,266)
Net finance (costs)/income		(24,617)	67,774
Gain on disposal of bonds		2,400	–
Other income	8	57	43,190
Debtor written off		–	(3,090)
Loss before taxation		(292,849)	(254,593)
Taxation	9	–	–
Loss for the year		(292,849)	(254,593)
Other comprehensive income		–	–
Total comprehensive loss for the year		(292,849)	(254,593)

The notes on pages 9 to 28 form part of these financial statements

STATEMENT OF FINANCIAL POSITION

at 31 March 2015

	Note	2015 GBP	2014 GBP
Assets			
Investment Property	10	5,224,473	5,476,038
Held-to-maturity investment	11	566,286	768,498
Receivables	12	1,190	1,190
Total non-current assets		5,791,949	6,245,726
Other receivables	13	103,934	52,872
Cash and cash equivalents		11,694	67,330
Total current assets		115,628	120,202
Total assets		5,907,577	6,365,928
Equity			
Stated capital	14	1	1
Revenue reserves		5,150,111	5,442,960
Total equity		5,150,112	5,442,961
Liabilities			
Bank loan		316,103	414,501
Other payables	15	441,362	508,466
Total current liabilities		757,465	922,967
Total equity and liabilities		5,907,577	6,365,928

Approved by the Board of Directors on ....and signed on its behalf by:
Director Director

The notes on pages 9 to 28 form part of these financial statements

Razamtazz Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Stated capital GBP	Revenue reserves GBP	Total GBP
Balance at 01 April 2013	1	5,697,553	5,697,554
Total comprehensive loss for the year			
Loss for the year	–	(254,593)	(251,503)
Balance at 31 March 2014	1	5,442,960	5,442,961
Total comprehensive loss for the year			
Loss for the year	–	(292,849)	(292,849)
Balance at 31 March 2015	1	5,150,111	5,150,112

The notes on pages 9 to 28 form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 GBP	2014 GBP
Cash flows from operating activities		
Loss for the year	(292,849)	(254,593)
Adjustments for:		
Depreciation	251,567	267,759
Change in other receivables	(51,062)	(15,658)
Change in other payables	1406	16,688
Gain on sale of bonds	(2,400)	–
Net cash (used in)/from operating activities 14,196		(93,339)
Cash flows from investing activities		
Proceeds from sale of bonds	385,733	(768,498)
Acquisition of bonds	(181,333)	–
Investment in property	–	(112,889)
Net cash used in investing activities	204,400	(881,387)
Cash flows from financing activities		
Repayment to related company	(430,789)	(255,624)
Advances from related company	362,490	57,710
Movement in short term loan	(98,398)	414,501
Net cash from financing activities	(166,697)	276,959
Net movement in cash and cash equivalents(56,636)	(590,232)	
Cash and cash equivalents at beginning of the year	67,330	657,562
Cash and cash equivalents at end of the year	11,694	67,330

The notes on pages 9 to 28 form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. General information

The Company was incorporated as a private limited company on 30 May 2007 and was granted a Category 2 Global Business Licence on 31 May 2007. The principal activity of the Company is investing in properties.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except where stated otherwise.

(c) Functional and presentation currency

The financial statements are presented in Great Britain Pound (GBP) which is the Company's functional currency and presentation currency.

(d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's 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 estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties (if any) that have a significant risk of resulting in a material adjustment in the year ending 31 March 2015 is included in the relevant notes as follows:

- Recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year

During the current year, the Company has applied a number of amendments to IFRSs and new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on or after 01 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27

The amendments define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

As the Company is not an investment entity, the application of the amendments has had no impact on the amounts recognised in the financial statements.

Amendments to IAS 32

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The Company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the financial statements.

Amendments to IAS 36

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the CGU.

Furthermore, the amendments introduce additional disclosure requirements applicable when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by IFRS 13 fair value measurements

The application of the above amendments has had no material impact on the disclosures in the financial statements.

Amendments to IAS 39

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the financial statements.

3.2 Standards issued but not yet adopted

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not effective for the year ended 31 March 2015 and which have not been adopted in these financial statements. The standards and interpretations that are applicable will be adopted in the year in which they become effective.

New or amended standards

Applicability to the company's financial statements

Effective date - annual period beginning on or after:

Defined benefit plans: employee contributions (amendments to IAS 19)	Not applicable	01 January 2015
IFRS 14 – Regulatory deferral accounts	Not applicable	01 January 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	Not applicable	01 January 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	Not applicable	01 January 2016
Agriculture: Bearer plants (amendments to IAS 16 and IAS 41)	Not applicable	01 January 2016
Equity method in separate financial statements (amendments to IAS 27)	Not applicable	01 January 2016
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Not applicable	01 January 2016
Disclosure initiative (amendments to IAS 1)	Applicable	01 January 2016
Investment entities: Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	Not applicable	01 January 2016
IFRS 15 - Revenue from contracts with customers	Applicable	01 January 2017
IFRS 9 – Financial instruments	Applicable	01 January 2018

Disclosure initiative (amendments to IAS 1)

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

The adoption of the above amendments shall not have significant impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The adoption of the above IFRS shall not have significant impact on the Company's financial statements.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated in the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income (OCI):

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Revenue recognition

Revenue is recognised as follows:

- Rental income: arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

Finance income and costs

The Company's finance income and costs include:

- Interest income on Bonds
- Interest paid on loan
- Foreign exchange differences

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. The Directors have elected to recognise the investment property using the cost model. Such properties are measured initially at costs, including transaction costs and any direct attributable expenditure, and subsequently at cost less accumulated depreciation and any impairment.

Any gain or loss on disposal recognised in the statement profit or loss and other comprehensive income in the year the investment property is derecognised is the difference between the net sales proceeds and the carrying amount of the property.

Depreciation

Depreciation is recognised in statement profit or loss and other comprehensive income on a straight line basis over the estimated useful life of each part of an item of investment property. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	2% straight line basis
Fixtures, fittings and equipment	25% straight line basis

The carrying values of property, plant and equipment are reviewed for impairment when events or changes indicate the carrying value may not be recoverable. If any such indication exists and carrying values exceed recoverable amounts such assets are written down to their recoverable amounts.

Held-to-maturity investments

Bonds are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment. After each year end, the Company assess its intent and ability to hold its held-to-maturity investments

Non-derivative financial assets

Financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, held to maturity investments and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Impairment

Non-derivative financial assets

Financial assets not classified as fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets

An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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 of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Receivables and other receivables

Receivables and other receivables are stated at amortised cost.

Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investment that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Bank loan

Bank loan are stated at amortised cost.

Other payables

Other payables are stated at amortised cost.

Stated capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Expenses

All expenses are recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the net asset and settle the liability simultaneously.

Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control of common significant influence.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Razamtazz Limited

5. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

31 March 2015	Loans and receivables GBP	Other financial liabilities GBP	Total GBP	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Financial assets not measured at fair value							
Other receivables	96,146	–	96,146	–	–	–	–
Cash and cash equivalents	11,694	–	11,694	–	–	–	–
Receivables	1,190		1,190				
Held to maturity investment	566,286		566,286				
	675,316	–	675,316	–	–	–	–
Financial liabilities not measured at fair value							
Bank loans	–	316,106	316,106	–	–	–	–
Other payables	–	441,362	441,362	–	–	–	–
	–	757,465	757,465	–	–	–	–
31 March 2014							
Financial assets not measured at fair value							
Other receivables	52,800	–	52,800	–	–	–	–
Cash and cash equivalents	67,330	–	67,330	–	–	–	–
Receivables	1,190		1,190				
Held to maturity investment	768,498		768,498				
	889,818	–	889,818	–	–	–	–
Financial liabilities not measured at fair value							
Borrowings	–	414,501	414,501	–	–	–	–
Other payables	–	508,466	508,466	–	–	–	–
	–	922,967	922,967	–	–	–	–

(b) Financial risk management

Introduction and preview

Financial instruments carried on the statement of financial position include held to maturity investment, receivables, other receivables, cash and cash equivalents, bank loan and other payables. The recognition method adopted is disclosed in the individual policy statement associated with each item. The most important types of risk are market risk, credit risk and liquidity risk.

The Company's activities expose them to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aims are therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews their risk management policies and systems to reflect changes in markets and emerging best practice.

The Company has no significant exposure to interest rate risk other than relating to its bank balances and is not exposed to commodity price risk.

Overview

The Company has exposure to the following risks from its use of financial instruments:

Market risk

Credit risk

Liquidity risk

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant exposure to interest rate risk other than relating to its bank balances.

Currency risk

The Company has certain financial instruments denominated in USD. Consequently, the Company is exposed to the risk that the exchange rate of the GBP relative to USD may change in a manner, which has a material effect on the reported values of the Company's assets and liabilities, which are denominated in GBP.

Currency

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions through companies within the group. At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk at the reporting date was:

	2015 GBP	2014 GBP
Held to maturity investment	**566,286**	768,498
Other receivables	**101,460**	52,872
Cash and cash equivalents	**11,694**	67,330

Receivables	1,190	1,190
	680,630	889,890

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

31 March 2015	Within one year GBP	One to five years GBP	Total GBP
Financial liabilities			
Other payables	441,362	–	441,362
Bank loan	316,103	–	316,103
Total financial liabilities	757,465	–	757,465
31 March 2014	GBP	GBP	GBP
Financial liabilities			
Other payables	508,466	–	508,466
Bank loan	414,501		414,501
Total financial liabilities	922,967	–	922,967

6. Revenue

Revenue represents:	2015 GBP	2014 GBP
Rental fee income	221,000	140,500

7. Net Finance (Cost) / income

Finance income		
Interest income	33,016	29,844
(Loss)/gain on foreign exchange	(55,566)	43,196
Interest paid	(36,207)	(5,266)
Net finance (costs)/income	(58,757)	67,774

8. Other income

Other income		
Insurance received	57	42,099
Other income	–	1,091
	57	43,190

9. Taxation

The company holds a Category 2 Global Business Licence and is exempt from Income Tax under the Mauritian laws.

10. Investment property

	Building GBP	Furniture and fittings GBP	Total GBP
Cost			
At 01 April 2014	5,858,911	637,921	6,496,832
Additions during the year	–	–	–
At 31 March 2015	5,858,911	637,921	6,496,832
Depreciation			
At 01 April 2013	468,583	284,452	753,035
Charge for the year	117,178	150,581	267,759
At 01 April 2014	585,761	435033	1,020,794
Charge for the year	117,178	134,387	251,565
At 31 March 2015	702,939	569,420	1,272,359
Net book value			
Balance at 31 March 2015	585,761	68,500	5,224,472
Balance at 31 March 2014	5,273,150	202,888	5,476,038

The fair value of the investment property has been estimated at GBP 8,500,000. The Valuation of the investment property was carried out by Savills Commercial Limited of 20 Grosvenor Hill

London W1K3HQ on 10th May 2015. Savill Commercial Limited provided their opinions on the value of the investment property based on the following:

The current Market Value of the leasehold interest, with the benefit of full vacant possession ("Vacant Possession Value")

The projected Market Value of leasehold interest

The potential or estimated Rental Value

Reinstatement Cost Assessment, where appropriate

The current Market and Projected Market Value of the leasehold interest on the special assumption of full vacant possession is estimated to GBP 8,500,000 (Eight Million Five Hundred Thousand PoundSterlings).

The parent company (Poeticgem Limited), has an arrangement with the Barclays Bank and HSBC as a result of these, the banks have placed a legal charge over the property of the company, as first charge with Barclays Bank and second charge with HSBC.

11. Held to maturity investment

	2015 GBP	2014 GBP
Cost		
At 01 April	768,498	–
Disposal during the year	(384,559)	
Additions during the year	182,347	768,498
31 March	566,286	768,498

12. Receivables

Receivable from Star Trust	1,190	1,190

13. Other receivables

Rent receivable	55,250	–
Premium on bonds	38,877	45,878
Prepaid expenses	5,315	71
Interest receivable on bonds	4,492	6,923
	103,934	52,872

14. Stated capital

Stated capital		
1 Ordinary shares of GBP 1 each	1	1

All shares in issue are fully paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

15. Bank loan

16. Other payables

Payable to related company	418,919	487,218
Deposit on rent	17,000	17,000
Other payables	3,187	1,992
Payable to frou Holdings Limited	2,256	2,256
	441,362	508,466

Razamtazz Limited

17. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subject to common control.

During the year under review, the Company entered into the following related party transactions.

		2015 GBP	2014 GBP
Transaction during the year	Nature		
Multinational Textile Group Limited	Advances repaid	(159,234)	255,624
Multinational Textile Group Limited	Advance received	50,000	57,710
Poeticgem Limited	Rent received on behalf of the Company	(165,750)	–
Poeticgem Limited	Interest accrued	128,763	96,949
Poeticgem Limited	Advances repaid	–	135,523
Poeticgem Limited	Other expenses accrued	77,922	–
Deepak Seth	Rent required	55,250	-
Balances outstanding at 31 March:			
Due to Multinational Textile Group Limited	Amount payable	256,436	365,670
Due to Poeticgem Limited	Amount payable	162,483	121,548
Rebl Soom Deepak Seth	Rent income	55,250	-

17. Capital management

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level.

The management of the Company's capital position is undertaken by the management team of the Company. The management team ensures that the Company is adequately capitalised to meet economic and regulatory requirements. Capital injections and repatriations are executed in a timely fashion, working closely with the business and infrastructure groups. The management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements such as foreign exchange and interest rate.

18. Holding and ultimate holding company

The immediate parent company of Razamtazz Limited is Norwest Industries Limited, a company registered in Hong Kong effective as from 24th March 2015on its filing with the Registrar of Companies and the ultimate parent company is PDS Multinational Fashions LimitedLimited, a company registered in India.

	2015 GBP	2014 GBP
Revenue		
Rental income	221,100	140,500
Expenses		
Depreciation	251,567	267,759
Management fees	128,736	96,949
Tax fees (HMRC)	53,642	–
Premium on bonds	28,499	11,116
Service charges	14,960	10,153
Accounting and audit fees	2,933	3,093
Professional fees	2,862	1,250
Insurance	2,132	2,459
Administration fee	1,558	1,433
Advisory fees	1,340	963
Brokerage fees	1,225	640
Custody fees	1,189	
Bank charges	876	556
License fees	200	198
Sundry expenses	50	1,652
Telephone, fax and courier charges	20	(55)
Consultancy fees	–	50,000
Repairs and maintenance	–	37,833
Electricity, Water and Gas	–	11,046
Letting fees	–	4,282
Penalty fee	–	1,640
	491,789	502,967
Loss from operating activities	(270,689)	(362,467)
Net finance (costs)/income	(24,617)	67,774
Gain on disposal of bonds	2,400	–
Other Income	57	43,190
Debtor written off	–	(3,090)
Loss before taxation	(295,849)	(254,593)

Report of the Directors and Audited Financial Statements

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activiy of the Company has not changed during the year and was the trading of garments. Details of the principal activities of the Company's subsidiaries are set out in note 14 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and dividends

The Group's profit for the year ended 31 March 2015 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 5 to 69.

The directors recommended the payment of dividend of US0.25 cents per ordinary share totaling US$1,000,000 in respect of the year.

Property, plant and equipment and investment properties

Details of movements in the property, plant and equipment, and investment properties of the Company and the Group during the year are set out in notes 11 and 12 to the financial statements, respectively.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 28(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

Directors

The directors of the Company during the year were:

Pallak Seth

Deepak Kumar Seth

Omprakash Makam Suryanarayan Setty

In accordance with the Company's articles of association, all directors will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in transactions, arrangements or contracts

No director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

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Pallak Seth

Hong Kong

25 May 2015

INDEPENDENT AUDITORS' REPORT

To the members of Norwest Industries Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Norwest Industries Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 5 to 69, which comprise the consolidated and company statements of financial position as at 31 March 2015, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated 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, the consolidated financial statements give a true and fair view of the financial positions of the Company and of the Group as at 31 March 2015, and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

25 May 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	4	3,184,573,403	3,356,746,585
Cost of sales (2,913,763,197)			(2,794,212,627)
Gross profit 442,983,388			390,360,776
Other income and gains	4	65,984,789	97,595,089
Selling and distribution expenses		(99,493,815)	(159,457,744)
Administrative expenses		(296,065,607)	(314,064,112)
Other operating expenses		(15,399,725)	(13,668,997)
Finance costs	6	(15,099,152)	(21,830,481)
Share of loss of a joint venture		(38,900)	–
PROFIT BEFORE TAX	5	30,248,366	31,557,143
Income tax expense	8	(5,308,860)	(2,411,414)
PROFIT FOR THE YEAR		24,939,506	29,145,729

Norwest Industries Limited

Attributable to:		
Owners of the parent	22,394,711	37,676,065
Non-controlling interests	2,544,795	(8,530,336)
	24,939,506	29,145,729

Details of the dividend proposed for the year are disclosed in note 10 to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	2015 HK$	2014 HK$
PROFIT FOR THE YEAR	24,939,506	29,145,729
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Cash flow hedges	9,219,464	(18,420,231)
Changes in fair value of available-for-sale investments	122,931	(51,695)
Exchange differences on translation of foreign operations	91,789	(224,301)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	9,434,184	(18,696,227)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	34,373,690	10,449,502
Attributable to:		
Owners of the parent	31,796,985	19,019,201
Non-controlling interests	2,576,705	(8,569,699)
	34,373,690	10,449,502

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	11	14,303,778	17,051,832
Investment properties	12	128,839,305	31,497,247
Held-to-maturity financial assets	13	6,528,374	–
Investment in a joint venture	15	–	–
Goodwill	16	1,442,538	583,365
Intangible asset	17	178,325	–
Available-for-sale investments	18	–	3,174,226
Deposits	21	163,212	205,197
Deferred tax assets	26	405,929	150,687
Total non-current assets		151,861,461	52,662,554
CURRENT ASSET S			
Inventories	19	74,190,363	117,573,652
Trade and bills receivables	20	506,262,959	542,159,090
Prepayments, deposits and other receivables	21	131,398,469	91,919,254
Available-for-sale investments	18	3,236,068	1,961,711
Due from a joint venture	32(b)	2,604,068	–
Due from the ultimate holding company	32(b)	–	390,321
Due from the immediate holding company	32(b)	–	1,225,083
Due from fellow subsidiaries	32(b)	39,984,018	92,245,488
Due from non-controlling shareholders	32(b)	1,586,357	1,100,107
Derivative financial instruments	25	9,671,925	–
Pledged time deposits	22	102,412,032	149,198,429
Cash and cash equivalents	22	31,679,023	19,705,718
Total current assets		903,025,282	1,017,478,853
CURRENT LIABILITIES			
Trade and bills payables		269,601,252	296,493,730
Other payables and accruals	23	24,869,427	23,747,758
Interest-bearing bank borrowings	24	325,752,612	371,984,469
Due to the ultimate holding company	32(b)	10,325	–
Due to the immediate holding company	32(b)	3,889,703	–
Due to fellow subsidiaries	32(b)	34,063,533	13,695,341
Loans from non-controlling shareholders	32(b)	1,288,559	1,089,200
Derivative financial instruments	25	–	1,369,350
Tax payable		26,072,624	20,867,344
Total current liabilities		685,548,035	729,247,192
NET CURRENT ASSETS		217,477,247	288,231,661
TOTAL ASSETS LESS CURRENT LIABILITIES		369,338,708	340,894,215
NON-CURRENT LIABILITIES			
Deferred tax liabilities	26	1,541,854	177,301
Net assets		367,796,854	340,716,914
EQUITY			
Equity attributable to owners of the parent			
Share capital	27	31,120,000	31,120,000
Reserves		343,487,668	321,066,842
		374,607,668	352,186,842
Non-controlling interests		(6,810,814)	(11,469,928)
Total equity		367,796,854	340,716,914

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Share capital HK$	Available-for-sale investment revaluation reserve HK$	Hedging reserve HK$	Capital reserve HK$	Retained profits HK$	Exchange reserve HK$	Total equity attributable to owners of the parent HK$	Non-controlling interests HK$	Total equity HK$
At 1 April 2013		31,120,000	(53,634)	17,276,557	–	303,150,898	(136,065)	351,357,756	(5,348,661)	346,009,095
Profit for the year		–	–	–	–	37,676,065	–	37,676,065	(8,530,336)	29,145,729
Other comprehensive income for the year:										
Changes in fair values of available-for-sale investments, net of tax		–	(51,695)	–	–	–	–	(51,695)	–	(51,695)
Cash flow hedges, net of tax		–	–	(18,420,231)	–	–	–	(18,420,231)	–	(18,420,231)
Exchange differences on translation of foreign operations		–	–	–	–	–	(181,083)	(181,083)	(39,363)	(220,446)
Total comprehensive income for the year		–	(51,695)	(18,420,231)	–	37,676,065	(181,083)	19,023,056	(8,569,699)	10,453,357
Acquisition of non-controlling interests		–	–	–	(2,633,970)	–	–	(2,633,970)	2,439,470	(194,500)
Interim dividend paid	10	–	–	–	–	(15,560,000)	–	(15,560,000)	–	(15,560,000)
Capital contribution by non-controlling shareholders		–	–	–	–	–	–	–	8,962	8,962
At 31 March 2014		31,120,000	(105,329)	(1,143,674)	(2,633,970)	325,266,963	(317,148)	352,186,842	(11,469,928)	340,716,914
Year ended 31 March 2015										
At 1 April 2014		31,120,000	(105,329)*	(1,143,674)*	(2,633,970)*	325,266,963*	(317,148)*	352,186,842	(11,469,928)	340,716,914
Profit for the year		–	–	–	–	22,394,711	–	22,394,711	2,544,795	24,939,506
Other comprehensive income for the year:										
Changes in fair values of available-for-sale investments, net of tax		–	122,931	–	–	–	–	122,931	–	122,931
Cash flow hedges, net of tax		–	–	9,219,464	–	–	–	9,219,464	–	9,219,464
Exchange differences on translation of foreign operations		–	–	–	–	–	59,879	59,879	31,910	91,789
Total comprehensive income for the year		–	122,931	9,219,464	–	22,394,711	59,879	31,796,985	2,576,705	34,373,690
Acquisition of non-controlling interests		–	–	–	(2,957,118)	–	–	(2,957,118)	2,863,758	(93,360)
Disposal of non-controlling interests		–	–	–	166,686	–	–	166,686	(166,686)	–
Deemed disposal of controlling interests		–	–	–	1,194,273	–	–	1,194,273	(649,673)	544,600
Interim dividend paid	10	–	–	–	–	(7,780,000)	–	(7,780,000)	–	(7,780,000)
Capital contribution by non-controlling shareholders		–	–	–	–	–	–	–	35,010	35,010
At 31 March 2015		31,120,000	17,602*	8,075,790*	(4,230,129)*	339,881,674*	(257,269)*	374,607,668	(6,810,814)	367,796,854

* These reserve accounts comprise the reserves of HK$343,487,668 (2014: HK$321,066,842) in the consolidated statement of financial position.

Norwest Industries Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		30,248,366	31,557,143
Adjustments for:			
Interest income	4	(2,109,248)	(2,175,816)
Depreciation for property, plant and equipment	5	9,180,529	9,758,888
Depreciation for investment properties	5	733,471	733,471
Amortisation of an intangible asset	5	42,712	–
Loss on disposal of items of property, plant and equipment	5	534,602	1,488,407
Net fair value loss from available-for-sale investment (transfer from equity on disposal)	5	(66,752)	–
Share of loss of a joint venture	15	38,900	–
Finance costs	6	15,099,152	21,830,481
		53,701,732	63,192,574
Decrease/(increase) in inventories		43,383,289	(5,714,382)
Decrease in trade and bills receivables		35,896,131	135,346,527
Increase in prepayments, deposits and other receivables		(38,398,984)	(63,183,993)
Increase in an amount due from a joint venture		(2,604,068)	–
Increase in an amount due from a non-controlling shareholder		(35,010)	–
Decrease/(increase) in an amount due from the ultimate holding company		390,321	(390,321)
Decrease/(increase) in an amount due from the immediate holding company		1,225,083	(1,748,176)
Decrease/(increase) in amounts due from fellow subsidiaries		52,261,470	(9,119,748)
Decrease in trade and bills payables		(26,892,478)	(48,687,784)
Decrease in other payables and accruals		(3,826,404)	(250,949)
Increase/(decrease) in an amount due to the ultimate holding company		10,325	(827,179)
Increase/(decrease) in an amount due to the immediate holding company		4,427,236	(6,827,342)
Increase/(decrease) in amounts due to fellow subsidiaries		20,386,417	(5,075,254)
Cash generated from operations		139,925,060	56,713,973
Hong Kong profits tax paid		(816,086)	(3,345,601)
Interest paid		(15,099,152)	(21,830,481)
Net cash flows from operating activities		124,009,822	31,537,891
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary	29	(98,074,550)	328,888
Purchases of items of property, plant and equipment		(7,089,760)	(10,529,447)
Purchases of an intangible asset		(221,037)	–
Proceeds from disposal of property, plant and equipment		115,531	83,375
Proceeds of available-for-sale investments		2,089,552	–
Purchase of a shareholding in a joint venture		(38,900)	–
Interest received		2,109,248	2,175,816
Decrease in pledged time deposits		118,952,274	82,845,473
Net cash flows from investing activities		17,842,358	74,904,105
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(7,780,000)	(15,560,000)
Proceeds from/(repayments of) bank loans, net		(39,310,649)	14,309,102
Loans from non-controlling shareholders		199,359	1,089,200
Net cash flows used in financing activities		(46,891,290)	(161,698)
NET INCREASE IN CASH AND CASH EQUIVALENTS		94,960,890	106,280,298
Cash and cash equivalents at beginning of year		19,705,718	14,272,391
Effect of foreign exchange rate changes, net		(248,221)	(209,644)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	31,679,023	19,705,718
Cash and cash equivalents as stated in the consolidated statement of financial position		31,679,023	19,705,718
Time deposits with original maturity of less than three months when acquired, pledged as security for bank loans and bank overdraft facilities		72,165,877	100,637,327
Bank overdrafts		10,573,487	–
Cash and cash equivalents as stated in the consolidated statement of cash flows		114,418,387	120,343,045

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	11	6,238,778	8,630,970
Investment properties	12	30,763,776	31,497,247
Investments in subsidiaries	14	103,980,753	4,701,340
Investment in a joint venture	15	–	–
Available-for-sale investments	18	–	3,174,226
Deferred tax assets	26	–	97,079
Total non-current assets		140,983,307	48,100,862
CURRENT ASSETS			
Trade and bills receivables	20	207,464,164	287,450,934
Prepayments, deposits and other receivables	21	24,391,616	25,475,713
Available-for-sale investments	18	3,236,068	1,961,711
Due from a joint venture	32(b)	2,604,068	–
Due from the ultimate holding company	32(b)	6,029	757,342
Due from the immediate holding company	32(b)	–	516,165
Due from fellow subsidiaries	32(b)	34,020,345	77,561,649
Due from subsidiaries	32(b)	77,398,501	112,666,197
Loan to a subsidiary	32(b)	1,750,500	1,750,500

Derivative financial instruments	25	8,985,964	–
Pledged time deposits	22	102,412,032	129,511,950
Cash and cash equivalents	22	10,697,247	11,572,449
Total current assets		472,966,534	649,224,610
CURRENT LIABILITIES			
Trade and bills payables		72,231,469	103,686,664
Other payables and accruals	23	18,632,507	15,304,126
Interest-bearing bank borrowings	24	143,434,059	242,308,155
Due to the immediate holding company	32(b)	13,047	–
Due to fellow subsidiaries	32(b)	19,223,981	3,987,093
Due to subsidiaries	32(b)	22,688,297	6,893,881
Derivative financial instruments	25	–	683,979
Tax payable		4,804,070	3,602,628
Total current liabilities		281,027,430	376,466,526
NET CURRENT ASSETS		191,939,104	272,758,084
TOTAL ASSETS LESS CURRENT LIABILITIES		332,922,411	320,858,946
NON-CURRENT LIABILITIES			
Deferred tax liabilities	26	1,432,880	–
Net assets		331,489,531	320,858,946
EQUITY			
Share capital	27	31,120,000	31,120,000
Reserves	28(b)	300,369,531	289,738,946
Total equity		331,489,531	320,858,946

1. CORPORATE INFORMATION

Norwest Industries Limited is a limited company incorporated in Hong Kong. The registered office of the Company is located at 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the Group was principally involved in the trading of garments.

The Company is a subsidiary of Multinational Textile Group Limited, a company incorporated in Mauritius. On 13 May 2014, the share capital of Multinational Textiles Group Limited was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, subsequent to the said share capital transfer, the Company's ultimate holding company changed from Pearl Global Industries Limited to PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and available-for-sales investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$"), which is also the Company's functional and presentation currency.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary (collectively referred to as the "Group") for the year ended 31 March 2015. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of its subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the respective dates that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs became effective for the first time during the current financial year but they have had no impact on the Group's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is archived when the Group is exposed, or has rights, to variables returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Investment in a joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's investments in the joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of joint venture is included as part of the Group's investment in a joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The results of a joint venture are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investment in a joint venture is treated as non-current asset and is stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the acquisition previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is financial instrument and within the scope of HKAS 39 Financial Instruments: Recognition and Measurement is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March 2015. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments at fair value at the end of each reporting period. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group

determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required (other than inventories and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment of non-financial assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives/principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of the lease terms and 33?%
Furniture and fixtures	25%
Motor vehicles	33?%
Office equipment	33?%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/ or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs and any directly attributable expenditure, and subsequently at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of each investment property, which is the shorter of 50 years and the term of the lease.

Any gain or loss on disposal recognised in the statement of profit or loss in the year the investment property is disposed is the difference between the net sales proceeds and the carrying amount of the property.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables, and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction cost that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through the income statement.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other operating expenses for receivables.

Held-to-maturity financial assets

Bonds are non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity financial assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other expenses.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets. If management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to the income statement over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss - is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group are classified, at initial recognition, as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, amounts due to the ultimate holding company, the immediate holding company and fellow subsidiaries, financial guarantee contracts, derivative financial instruments, loans from non-controlling shareholders and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship with which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument for cash flow hedges is recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as other expenses.

Amounts recognised in other comprehensive income are transferred to the statement of profit or loss when the hedged transaction affects the income statement, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs or the foreign currency firm commitment is met.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.
- Inventories Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress andfinished goods, comprises direct materials, direct labour and an appropriate proportionof overheads. Net realisable value is based on estimated selling prices less any estimatedcosts to be incurred to completion and disposal.

Cash and cash equivalents For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of financial position.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the income statement on the straight-line basis over the lease terms.

Dividends

Interim dividends are recognised directly as a liability when they are proposed and declared by the directors.

Final dividends are recognised as a liability when they are approved by the shareholders.

In prior years, final dividends proposed by the directors were classified as an allocation of retained profits within equity and presented separately in the statement of financial position. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements (note 10).

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) handling fee income, when the services are rendered;

(c) rental income, on a time proportion basis over the lease terms; and

(d) interest income, on an accrual basis using the effective interest method.

Employee benefits

Retirement benefit costs

The Group operates a mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which are based in Mainland China and Sri Lanka are required to participate in central pension schemes operated by the respective local governments. These subsidiaries are required to contribute certain percentages of its payroll costs to the central pension schemes. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension schemes.

Foreign currencies

These financial statements are presented in HK$, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the dates when their fair values were determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than HK$. As at the end of the reporting period, the assets and liabilities of the subsidiaries are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into HK$ at the weighted average exchange rates for the period. The resulting exchange differences are recognised in other comprehensive income and are accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of an overseas subsidiary are translated into HK$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiary which arise throughout the period are translated into HK$ at the weighted average exchange rate for the period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

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

(a) Impairment of property, plant and equipment

(b) Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

(c) Impairment of trade and bills receivables

(d) The Group maintains an allowance for estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade and bills receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis of making the allowance and its future results would be affected.

(e) Current tax and deferred tax

(f) Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectations are different from the original estimates, such differences will impact on the recognition of deferred tax assets and deferred tax in the periods in which such estimates have been changed.

(g) Classification of financial instruments

(h) Management has made judgements on the classification of financial assets and financial liabilities in the process of applying the Group's accounting policies, which have significant effect on the amounts recognised in the financial statements. The Group determines the classification of certain assets and liabilities as financial assets and financial liabilities by judging whether they meet the definition of financial assets and financial liabilities set out in HKAS 39.

HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 require that the Group carries certain of its financial assets at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group utilises different valuation methodologies. Any such changes in the fair values of these financial assets would affect directly the Group's financial position and equity.

(i) Impairment of inventories

(j) Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and the provision charge/write-back of provision for obsolete and slow-moving inventory items in the period in which estimate has been changed.

(k) Goodwill

(l) The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2015 was HK$1,442,538. Further details are given in note 16.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold.

An analysis of the Group's other income and gains is as follows:

	2015 HK$	2014 HK$
Interest income	2,109,248	2,175,816
Handling fee income	18,780,522	13,672,099
Rental income	1,995,972	2,189,343
Foreign exchange differences, net	–	36,567,839
Sales of trim and trimmings	29,858,389	15,909,890
Others	13,240,658	27,080,102
	65,984,789	97,595,089

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

Auditors' remuneration	1,012,039	929,028
Depreciation for property, plant and equipment	9,180,529	9,758,888
Depreciation for investment properties	733,471	733,471
Amortisation for an intangible asset	42,712	–
Staff costs (excluding directors' remuneration (note 7)):		
Salaries and allowances	116,978,471	128,827,876
Pension scheme contributions (defined contribution scheme)	6,226,186	11,289,685
	123,204,657	140,117,561
Minimum lease payments under operating leases of land and buildings	10,922,657	12,507,432
Loss on disposal of items of property, plant and equipment	534,602	1,488,407
Net fair value loss from available-for-sale investments (transfer from equity on disposal)	66,752	–
Foreign exchange differences, net	1,779,679	(36,567,839)

6. FINANCE COSTS

Group		
Interest on bank loans, overdrafts and other loans	15,099,152	21,830,481

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance, is as follows:

Fees	1,945,000	1,945,000
Other emoluments:		
Salaries, allowances and benefits in kind	–	–
Pension scheme contributions	–	–
	1,945,000	1,945,000

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Group		
Current - Hong Kong		
Charge for the year	7,298,601	7,143,626
Overprovision in prior years	(2,269,472)	(1,960,101)
Current - Elsewhere		
Charge for the year	1,165,489	636,734
Overprovision in prior years	(173,261)	(3,222,863)
Deferred (note 26)	(712,497)	(185,982)
Total tax charge for the year	5,308,860	2,411,414

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Group is domiciled to the tax charge/(credit) at the Group's effective tax rate is as follows:

Group - 2015

	Hong Kong HK$	Others HK$	Total HK$
Profit before tax	29,853,373	394,993	30,248,366
Tax at the applicable tax rate	4,925,806	88,485	5,014,291
Adjustments in respect of current tax of previous periods	(2,269,472)	(173,261)	(2,442,733)
Income not subject to tax	(3,990,395)	(417,513)	(4,407,908)
Expenses not deductible for tax	4,907,254	–	4,907,254
Tax on deemed profit arising from operations outside Hong Kong	–	1,165,489	1,165,489
Tax losses utilised from prior years	(361,704)	–	(361,704)
Tax losses not recognised	572,901	183,418	756,319
Others 938,171	(260,319)	677,852	
Tax at the effective rate	4,722,561	586,299	5,308,860

Group - 2014

	Hong Kong HK$	Others HK$	Total HK$
Profit/(loss) before tax	38,274,042	(6,716,899)	31,557,143
Tax at the applicable tax rate	6,215,806	(2,131,137)	4,084,669
Adjustments in respect of current tax of previous periods	(1,960,101)	(3,222,863)	(5,182,964)
Income not subject to tax	(3,710,898)	(23,048)	(3,733,946)
Expenses not deductible for tax	1,006,731	–	1,006,731
Tax on deemed profit arising from operations outside Hong Kong	–	636,734	636,734
Tax losses utilised from prior years	(1,122,744)	–	(1,122,744)
Tax losses not recognised	4,249,645	2,154,185	6,403,830
Others	319,104	–	319,104
Tax at the effective rate	4,997,543	(2,586,129)	2,411,414

As at the end of the reporting period, certain subsidiaries of the Group had unused tax losses arising in Hong Kong of HK$47,803,215 (2014: HK$46,523,233), which are subject to the agreement of the Hong Kong Inland Revenue Department and are available indefinitely for offsetting against the future taxable profits of the subsidiary. The other overseas subsidiaries of the Group also had tax losses arising in their respective principal countries of operations.

At the end of the reporting period, deferred tax assets in respect of the unused tax losses have only been recognised to the extent that the deferred tax liabilities associated with chargeable temporary differences were offset as the directors consider it uncertain that future taxable profits will be available to utilise all the unused tax losses. The deferred tax assets not recognised are analysed as follows:

	2015 HK$	2014 HK$
Unused tax losses	8,505,664	12,339,278
Depreciation allowance in excess of depreciation	–	(5,616,344)
Total tax charge for the year	8,505,664	6,722,934

9. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2015 includes a profit of HK$10,213,252 (2014: HK$30,041,412) which has been dealt with in the financial statements of the Company (note 28(b)).

10. DIVIDENDS

Interim - US0.25 cents (2014: US0.5 cents) per ordinary share	7,780,000	15,560,000

The directors do not recommend the payment of a final dividend for the year.

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11. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements HK$	Furniture and fixtures HK$	Motor vehicles HK$	Office equipment HK$	Total HK$
31 March 2015					
At 31 March 2014 and 1 April 2014:					
Cost	6,273,778	14,597,162	3,272,305	29,491,958	53,635,203
Accumulated depreciation	(5,404,962)	(8,017,753)	(3,197,381)	(19,963,275)	(36,583,371)
Net carrying amount	868,816	6,579,409	74,924	9,528,683	17,051,832
At 1 April 2014, net of accumulated depreciation	868,816	6,579,409	74,924	9,528,683	17,051,832
Additions	1,248,365	821,582	1,761,516	3,258,297	7,089,760
Disposals	(16,870)	(393,701)	–	(161,307)	(571,878)
Depreciation provided during the year	(657,250)	(2,675,854)	(277,271)	(5,570,154)	(9,180,529)
Exchange realignment	–	(39,104)	–	(46,303)	(85,407)
At 31 March 2015, net of accumulated depreciation	1,443,061	4,292,332	1,559,169	7,009,216	14,303,778
At 31 March 2015:					
Cost	7,505,273	14,266,168	5,033,821	32,422,406	59,227,668
Accumulated depreciation	(6,062,212)	(9,973,836)	(3,474,652)	(25,413,190)	(44,923,890)
Net carrying amount	1,443,061	4,292,332	1,559,169	7,009,216	14,303,778
31 March 2014					
At 1 April 2013:					
Cost	5,978,510	12,041,111	3,272,305	24,436,706	45,728,632
Accumulated depreciation	(4,493,625)	(5,382,050)	(3,003,428)	(14,987,732)	(27,866,835)
Net carrying amount	1,484,885	6,659,061	268,877	9,448,974	17,861,797
At 1 April 2013, net of accumulated depreciation	1,484,885	6,659,061	268,877	9,448,974	17,861,797
Additions	345,141	2,559,523	–	7,624,783	10,529,447
Disposals	(32,464)	(6,533)	–	(1,532,785)	(1,571,782)
Depreciation provided during the year	(929,589)	(2,650,842)	(193,953)	(5,984,504)	(9,758,888)
Exchange realignment	843	18,200	–	(27,785)	(8,742)
At 31 March 2014, net of accumulated depreciation	868,816	6,579,409	74,924	9,528,683	17,051,832
At 31 March 2014:					
Cost	6,273,778	14,597,162	3,272,305	29,491,958	53,635,203
Accumulated depreciation	(5,404,962)	(8,017,753)	(3,197,381)	(19,963,275)	(36,583,371)
Net carrying amount	868,816	6,579,409	74,924	9,528,683	17,051,832
Company					
31 March 2015					
At 1 April 2014:					
Cost	6,241,316	8,163,362	3,272,305	18,982,232	36,659,215
Accumulated depreciation	(5,392,849)	(5,350,219)	(3,197,381)	(14,087,796)	(28,028,245)
Net carrying amount	848,467	2,813,143	74,924	4,894,436	8,630,970
At 1 April 2014, net of accumulated depreciation	848,467	2,813,143	74,924	4,894,436	8,630,970
Additions	34,769	409,982	–	1,462,706	1,907,457
Disposal	(16,870)	–	–	(2,826)	(19,696)
Depreciation provided during the year	(412,226)	(884,762)	(62,563)	(2,920,402)	(4,279,953)

Group	Leasehold improvements HK$	Furniture and fixtures HK$	Motor vehicles HK$	Office equipment HK$	Total HK$
At 31 March 2015, net of accumulated depreciation	454,140	2,338,363	12,361	3,433,914	6,238,778
At 31 March 2015:					
Cost	6,259,215	8,573,344	3,272,305	20,442,112	38,546,976
Accumulated depreciation	(5,805,075)	(6,234,981)	(3,259,944)	(17,008,198)	(32,308,198)
Net carrying amount	454,140	2,338,363	12,361	3,433,914	6,238,778
31 March 2014					
At 1 April 2013:					
Cost	5,928,637	6,216,684	3,272,305	14,391,389	29,809,015
Accumulated depreciation	(4,476,216)	(4,410,846)	(3,003,428)	(11,085,937)	(22,976,427)
Net carrying amount	1,452,421	1,805,838	268,877	3,305,452	6,832,588
At 1 April 2013, net of accumulated depreciation	1,452,421	1,805,838	268,877	3,305,452	6,832,588
Additions	312,679	1,946,678	–	4,590,843	6,850,200
Depreciation provided during the year	(916,633)	(939,373)	(193,953)	(3,001,859)	(5,051,818)
At 31 March 2014, net of accumulated depreciation	848,467	2,813,143	74,924	4,894,436	8,630,970
At 31 March 2014:					
Cost	6,241,316	8,163,362	3,272,305	18,982,232	36,659,215
Accumulated depreciation	(5,392,849)	(5,350,219)	(3,197,381)	(14,087,796)	(28,028,245)
Net carrying amount	848,467	2,813,143	74,924	4,894,436	8,630,970

12. INVESTMENT PROPERTIES

Group

	HK$
At 1 April 2013:	
Cost	36,673,551
Accumulated depreciation	(4,442,833)
Net carrying amount	32,230,718
At 1 April 2013, net of accumulated depreciation	32,230,718
Depreciation provided during the year	(733,471)
At 31 March 2014, net of accumulated depreciation	31,497,247
At 31 March 2014 and at 1 April 2014:	
Cost	36,673,551
Accumulated depreciation	(5,176,304)
Net carrying amount	31,497,247
At 1 April 2014, net of accumulated depreciation	31,497,247
Additions from acquisition of a subsidiary (note 29(a))	98,209,663
Depreciation provided during the year	(733,471)
Exchange realignment	(134,134)
At 31 March 2015, net of accumulated depreciation	128,839,305
At 31 March 2015:	
Cost	134,749,080
Accumulated depreciation	(5,909,775)
Net carrying amount	128,839,305

Company

	HK$
At 1 April 2013:	
Cost	36,673,551
Accumulated depreciation	(4,442,833)
Net carrying amount	32,230,718
At 1 April 2013, net of accumulated depreciation	32,230,718
Depreciation provided during the year	(733,471)
At 31 March 2014, net of accumulated depreciation	31,497,247
At 31 March 2014 and at 1 April 2014:	
Cost	36,673,551
Accumulated depreciation	(5,176,304)
Net carrying amount	31,497,247
At 1 April 2014, net of accumulated depreciation	31,497,247
Depreciation provided during the year	(733,471)
At 31 March 2015, net of accumulated depreciation	30,763,776
At 31 March 2015:	
Cost	36,673,551
Accumulated depreciation	(5,909,775)
Net carrying amount	30,763,776

Norwest Industries Limited

The Group's investment properties are situated in Hong Kong and the United Kingdom, and are held under medium term leases.

As at the end of the reporting period, the aggregate fair value of the Group's and the Company's investment properties as estimated by the directors based on market information amounted to HK$182,838,594 (2014: HK$84,000,000) and HK$86,000,000 (2014: HK$84,000,000), respectively. Some of the investment properties of the Group have been leased to third parties under operating leases, further summary details of which are included in note 31(a) to the financial statements.

At 31 March 2015, all of the Group's investment properties were pledged to secure the general banking facilities granted to the Group or a fellow subsidiary (notes 24 and 32(c)).

13. HELD-TO-MATURITY FINANCIAL ASSETS

Group

	2015 HK$	2014 HK$
Listed securities:		
Debentures with fixed interest of 4.625% - 8.5% and maturity date in 2017-2018 - United States	6,528,374	–

	2015 HK$	2014 HK$
The movement in held-to-maturity of financial assets is summarised as follows:		
At the beginning of year	–	–
Additions from acquisition of a subsidiary (note 29(a))	6,542,913	–
Exchange realignment	(14,539)	–
At the end of year	6,528,374	–

Held-to-maturity financial assets are denominated in United States Dollars ("US$").

14. INVESTMENTS IN SUBSIDIARIES

Company

	2015 HK$	2014 HK$
Unlisted shares, at cost	103,980,753	4,701,340

The balances with subsidiaries included in the Company's current assets and current liabilities are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the Company's subsidiaries as at 31 March 2015 are as follows:

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Grand Pearl Trading Company Limited*#	People's Republic of China ("PRC")/ Mainland China	US$150,000	100%	–	Provision of sourcing services
Nor Europe Manufacturing Company Limited ("Nor Europe")	Hong Kong	US$100,000	70%	–	Trading of garment products
Nor India Manufacturing Company Limited	Hong Kong	US$10,000	100%	–	Trading of garment products
________	Manufacturing	Hong Kong	HK$10,000	100%	–
Trading of Limited				products	garment
Techno Manufacturing Company Limited ("Techno") (Old name: Sino West Manufacturing Co Ltd)	Hong Kong	US$10,000	100%	–	Trading of footwear products
Spring Near East Manufacturing Company Limited ("Spring Near East")	Hong Kong	US$200,000	65%	–	Trading of garment products
GEM Australia Manufacturing Company Limited ("GEM Australia")	Hong Kong	US$100,000	100%	–	Trading of garment products
Designed and Sourced Limited ("Designed and Sourced")	Hong Kong	US$200,000	60%	–	Provision of design services
Norwest USA., Inc.*	United States	US$50,000	100%	–	Provision of sourcing services
NOR France Manufacturing Company Limited ("NOR France")	Hong Kong	US$100,000	85%	–	Provision of sourcing services

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
NOR France SAS*	France	EURO ("EUR") 10,000	–	85%	Trading of garment products
Nor Lanka Colombo Manufacturing Company Limited* ("NL Colombo")	Sri Lanka	Sri Lankan Rupee ("LKR") 64,427,000	–	100%	Trading of garment products
Nor Europe Manufacturing S.L.* ("Nor Europe SL")	Spain	EUR3,000	–	70%	Provision of sourcing services
Kleider Sourcing Hongkong Limited ("Kleider Sourcing")	Hong Kong	US$10,000	55%	–	Provision of design, sourcing, and trading of garment products
Razamtazz Limited*	Mauritius	British Pound Sterling ("GBP") 8,500,000	100%	–	Investment in properties
Krayons Sourcing Limited (Old name: Sourcing Solutions HK Limited)	Hong Kong	US$10,000	100%	–	Inactive

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The subsidiary is registered as a wholly-foreign-owned enterprise under the PRC law.

During the year ended 31 March 2015, the Group acquired a 100% equity interest in Razamtazz Limited from an independent third party. During the year ended 31 March 2014, the Group acquired a 70% equity interest in Nor Europe S.L. from an independent third party. Further details of these acquisitions are included in note 28 to the financial statements.

On 1 April 2014, the Group increased its equity interests in Techno and NOR France by purchasing additional 2,000 shares and 10,000 shares from non-controlling shareholders at par value for total considerations of HK$15,560 and HK$77,800, respectively. On 8 May 2013, the Group increased its equity interest in GEM Australia by purchasing additional 25,000 shares from a non-controlling shareholder for a total consideration of HK$194,500.

On 1 April 2014, the Group decreased its equity interest in Kleider Sourcing by selling 4,500 shares to non-controlling shareholders for a total consideration of HK$35,010.

On 1 April 2014, Spring Near East issued 70,000 ordinary shares of US$1 each to its non-controlling shareholders, this resulted in the Group's interest in Spring Near East to decrease from 100% to 65%.

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2015 HK$	2014 HK$
Percentage of equity interest held by non-controlling interests:		
Nor Europe	30%	30%
Techno	–	20%
Designed and Sourced	40%	40%
Spring Near East	35%	–
Kleider Sourcing	45%	–

	2015 HK$	2014 HK$
Profit/(loss) for the year allocated to non-controlling interests:		
Nor Europe	(130,974)	(1,623,179)
Techno	–	(1,095,527)
Designed and Sourced	(2,241,114)	(4,407,110)
Spring Near East	2,486,627	–
Kleider Sourcing	2,403,145	–
Retained profit/(accumulated losses) of the non-controlling interests at the reporting dates:		
Nor Europe	(2,664,968)	(2,533,994)
Techno	–	(2,331,597)
Designed and Sourced	(8,377,900)	(6,136,786)
Spring Near East	2,486,627	–
Kleider Sourcing	2,403,145	–

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The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2015	Nor Europe HK$	Techno HK$	Designed and Sourced HK$	Spring Near East HK$	Kleider Sourcing HK$
Revenue	70,762,347	5,183,584	4,821,131	685,385,661	150,388,578
Other income and gain	5,689,062	15,944	1,894,935	5,346,818	749,547
Total expenses, net	(76,887,990)	(9,134,161)	(12,318,851)	(683,627,829)	(145,797,803)
Profit/(loss) and total comprehensive income/(loss) for the year	(436,581)	(3,934,633)	(5,602,785)	7,104,650	5,340,322
Current assets	17,632,978	4,127,160	1,420,940	95,575,651	23,973,425
Non-current assets	29,875	–	37,087	3,849,882	-
Current liabilities	25,768,082	19,641,978	20,846,778	91,509,663	18,925,717
Non-current liabilities	–	–	–	-	-
Net cash flows from/(used in) operating activities	(509,846)	(247,544)	(82,472)	(7,523,595)	1,028,121
Net cash flows from/(used in) investing activities	–	–	–	16,879,139	–
Net cash flows from/(used in) financing activities	–	–	–	(5,972,257)	–
Net increase/(decrease) in cash and cash equivalents	(509,846)	(247,544)	(82,472)	3,383,287	1,028,121
Revenue	94,822,953	20,632,945	2,687,241	430,643,833	5,400,857
Other income and gain	2,127,535	267	707,233	5,742,472	737,723
Total expenses, net	(102,361,085)	(26,110,846)	(14,412,250)	(429,715,133)	(6,540,894)
Profit/(loss) and total comprehensive income/(loss) for the year	(5,410,597)	(5,477,634)	(11,017,776)	6,671,172	(402,314)
Current assets	11,028,027	5,319,251	1,245,459	83,901,724	4,455,072
Non-current assets	29,875	600,925	81,445	2,501,122	-
Current liabilities	18,726,550	17,438,250	15,112,870	87,069,826	4,747,686
Non-current liabilities	–	62,111	–	-	-
Net cash flows from/(used in) operating activities	(310,250)	596,626	(2,578,086)	17,474,458	166,283
Net cash flows from/(used in) investing activities	83,373	(5,980)	–	(20,471,071)	–
Net cash flows from/(used in) financing activities		–(370,859)	2,839,700	5,739,432	77,800
Net increase/(decrease) in cash and cash equivalents	(226,877)	219,787	261,614	2,742,819	244,083

15. INVESTMENT IN A JOINT VENTURE

Group and Company

	2015 HK$	2014 HK$
Unlisted investments, at cost	38,900	–
Share of net assets	(38,900)	–
	–	–

Particulars of the Group's joint venture are as follows:

Name	Particulars of issued shares held	Place of registration and business	Ownership interest	Percentage of Voting power	Profit sharing	Principal activities
Sourcing Solutions Limited	Registered capital of US$1 each	Hong Kong	50	50	50	Trading of garments products

The above investment in a joint venture is directly held by the Company.

The Group has discontinued the recognition of its share of losses of a joint venture because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amount of the Group's unrecognised share of losses of this joint venture for the current year was HK$91,959 (2014: Nil).

The following table illustrates the aggregate financial information of the Group's joint venture:

	2015 HK$	2014 HK$
Share of the joint venture's loss for the year	38,900	–
Share of the joint ventures' total comprehensive loss	38,900	–
Aggregate carrying amount of the Group's investment in the joint venture	–	–

16. GOODWILL

	HK$
Cost and net carrying amount at 1 April 2013, 31 March 2014 and 1 April 2014	583,365
Addition from acquisition of a subsidiary (note 29(a))	859,173
Cost and net carrying amount at 31 March 2015	1,442,538

Impairment testing of goodwill

Goodwill acquired through a business combination has been allocated to the relevant cash-generating unit for impairment testing. The recoverable amount of the cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial forecast covering a five-year period approved by management. The discount rate applied to the cash flow projections is 12% (2014: 12%) and the budgeted revenue and results of operation have been determined based on management's expected market and business development. The discount rate used is before tax and reflects specific risks relating to the cash-generating unit.

17. INTANGIBLE ASSET

	License HK$
Group	
Cost at 1 April 2013, 31 March 2014 and 1 April 2014	–
Additions	221,037
Amortisation provided during the year	(42,712)
At 31 March 2015	178,325
At 31 March 2015:	
Cost	221,037
Accumulated amortisation	(42,712)
Net carrying amount	178,325

18. AVAILABLE-FOR-SALE INVESTMENTS

Group and Company

	2015 HK$	2014 HK$
Unit trusts, at fair value		
Non-current	–	3,174,226
Current	3,236,068	1,961,711
	3,236,068	5,135,937

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$122,931 (2014: HK$51,695).

The above investments consist of investments in unit trusts which have been designated as available-for-sale investments and have no fixed maturity date or coupon rate.

The fair values of the unit trusts are based on quoted market prices.

19. INVENTORIES

The Group's inventories represented fabrics sourced for supplies to manufacturers for their production of garments for the Group.

20. TRADE AND BILLS RECEIVABLES

	Group 2015 HK$	Group 2014 HK$	Company 2015 HK$	Company 2014 HK$
Trade receivables	459,271,381	523,883,401	177,222,922	273,240,802
Bills receivable	46,991,578	18,275,689	30,241,242	14,210,132
	506,262,959	542,159,090	207,464,164	287,450,934

The Group's and the Company's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade and bills receivables are non-interest-bearing and are on terms of up to 120 days. The Group and the Company seek to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. There is no significant concentration of credit risk.

An aged analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	Group 2015 HK$	Group 2014 HK$	Company 2015 HK$	Company 2014 HK$
Neither past due nor impaired	368,699,587	462,675,977	183,061,469	248,533,262
Past due but not impaired:				
Less than one month	67,692,309	61,234,951	15,164,212	32,274,238
One to three months	43,154,743	12,269,400	7,380,239	6,156,154
Over three months	26,716,320	5,978,762	1,858,244	487,280
	506,262,959	542,159,090	207,464,164	287,450,934

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default.

As at the end of the reporting period, the Group and Company had transferred certain bills of exchange amounting to HK$44,136,480 (2014: HK$51,328,627) and HK$11,103,916 (2014: HK$36,672,217), respectively, to banks with recourse in exchange for cash, respectively. The proceeds of the Group and the Company from transferring the bills receivable of HK$44,081,237 (2014: HK$51,221,763) and HK$11,091,239 (2014: HK$36,590,381), respectively, have been accounted for as collateralised bank advances and have been included in interest-bearing bank borrowings until the bills are collected or the Group/Company makes good of any losses incurred by the banks (note 24).

Receivables that were past due but not impaired relate to a number of customers that have had a good track record with the Group and the Company. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group and the Company do not hold any collateral or other credit enhancements over these balances.

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Prepayments	62,901,353	69,944,678	1,093,713	5,821,963
Deposits	8,857,980	3,502,341	5,463,107	2,071,469
Other receivables	59,802,348	18,677,432	17,834,796	17,582,281
	131,561,681	92,124,451	24,391,616	25,475,713
Less: Portion classified as non-current assets	(163,212)	(205,197)	–	–
	131,398,469	91,919,254	24,391,616	25,475,713

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

22. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

Cash and bank balances	31,679,023	19,705,718	10,697,247	11,572,449
Time deposits	102,412,032	149,198,429	102,412,032	129,511,950
	134,091,055	168,904,147	113,109,279	141,084,399
Less: Pledged time deposits: Pledged for bank loans and bank overdraft facilities (note 24)	(102,412,032)	(149,198,429)	(102,412,032)	(129,511,950)
Cash and cash equivalents	31,679,023	19,705,718	10,697,247	11,572,449

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$15,763,276 (2014: HK$20,023,940). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015 HK$	2014 HK$	2015 HK$	2014 HK$
Other payables	5,951,494	5,891,138	1,075,549	1,444,274
Operating tax payables	8,164,723	6,171,262	8,164,723	6,171,262
Accrued employee benefits	1,913,792	3,441,981	2,124,869	2,507,424
Accruals	5,744,361	5,376,498	4,172,309	3,172,190
Advance from customers	3,095,057	2,866,879	3,095,057	2,008,976
	24,869,427	23,747,758	18,632,507	15,304,126

Other payables are non-interest-bearing and have an average term of three months.

24. INTEREST-BEARING BANK BORROWINGS

Group

	2015			2014		
	Contractual interest rate (%)	Contractual Maturity	HK$	interest rate (%)	Maturity	HK$
Mortgage loan (note (b))*	2.25% over 1 month HIBOR	2016/ on demand	2,755,000	2.25% over 1 month HIBOR	2016/ on demand	2,621,780
Mortgage loan (note (c))*	2% below BLR	2017/ on demand	1,536,740	2% below BLR	2017/ on demand	3,895,000
Term loan (note (d))*	1% over 1 month HIBOR LIBOR+1%	2017/ on demand	4,754,163	1% over 1 month HIBOR	2017/ on demand	1,542,000
Collateralised bank advances**	LIBOR+2% LIBOR+3.5% 1.5% p.a. over 3 month LIBOR 2.42% LIBOR+4% p.a. 0.25% per quarter	2015	44,136,480	LIBOR+3.5%, cost of funding+2.25%, HIBOR+2.25%, LIBOR+3.9%, 1.5% p.a. over 3 months LIBOR, 0.5% p.a. below the bank's standard bills finance rate, 1.5% p.a. over the bank's standard bills finance rate, 2% p.a. above the bank's cost of fund	2014	51,328,627
Trust receipt loans**	Cost of funding+2.25%, LIBOR+3%, LIBOR+3.5%, LIBOR+2.25%, HIBOR+2.2%, LIBOR+4%, LIBOR+2.2%, 2% p.a. over the bank's standard bills finance rate, current prime rate, LIBOR as determined by the bank and 2.5% p.a., highest of PNBHK prime rate/US$ prime rate +1.5%, or 6 month US$ 6M LIBOR+3.5% 4 months LIBOR+5% subject to LIBOR+2% 4.24% p.a.	2015	245,613,426	Cost of funding +2.25%, LIBOR +3%, LIBOR+3.5%, LIBOR+2.25%, HIBOR+2.2%, LIBOR+4%, LIBOR+2.2%, 2% p.a. over the bank's standard bills finance rate, current prime rate, LIBOR as determined the bank and 2.5% p.a., highest of PNBHK prime rate/US$ prime rate+1.5%, or 6 month US$6M LIBOR+3.5% 4 months LIBOR+5% subject to a minimum of 7% p.a.	2014	275,928,221
Factoring***	0.18% of gross invoice amount with recourse term	2015	16,383,316	0.18% of gross invoice amount with recourse term	2014	36,668,841
Bank overdraft****	4.25% p.a.	2015	10,573,487	–	–	–
			325,752,612			371,984,469

*	Denominated in HK$, GBP and US$
**	Denominated in GBP and US$
***	Denominated in EUR, GBP and US$
****	Denominated in LKR and US$

24. INTEREST-BEARING BANK BORROWINGS (continued)

Company	2015			2014		
	Contractual interest rate (%)	Maturity	HK$	Contractual interest rate (%)	Maturity	HK$
Mortgage loan (note (b))*	2.25% over 1 month HIBOR	2016/ on demand	2,755,000	2.25% over 1 month HIBOR	2016/ on demand	2,621,780
Mortgage loan (note (c))*	2% below BLR	2017/ on demand	1,536,740	2% below BLR	2017/ on demand	3,895,000
Term loan (note (d))*	1% over 1 month HIBOR	2017/ on demand	1,110,000	1% over 1 month HIBOR	2017/ on demand	1,542,000
Collateralised bank advances**	LIBOR+2% LIBOR+3.5% 1.5% p.a. over 3 month LIBOR 2.42% LIBOR+4% p.a. 0.25% per quarter	2015	11,103,916	LIBOR+3.5%, cost of funding+2.25%, HIBOR+2.25%, LIBOR+3.9%, 1.5% p.a. over 3 months LIBOR, 0.5% p.a. below the bank's standard bills finance rate, 1.5% p.a. over the bank's standard bills finance rate, 2% p.a. above the bank's cost of fund	2014	36,672,217
Trust receipt loans***	Cost of funding+2.25% LIBOR+3%, LIBOR+3.5%, LIBOR+2.25%, HIBOR+2.2%, LIBOR+4%, LIBOR+2.2%, 2% p.a. over the bank's standard bills finance rate, current prime rate, LIBOR as determined by the bank and 2.5% p.a., highest of PNBHK prime rate/US$ prime rate +1.5%, or 6 month US$ 6M LIBOR+3.5% 4 months LIBOR+5% subject to a minimum of 7% p.a. LIBOR+2%	2015	125,036,743	Cost of funding +2.25%, LIBOR, +3%, LIBOR+3.5%, LIBOR+2.25%, HIBOR+2.2%, LIBOR+4%, LIBOR+2.2%, 2% p.a. over the bank's standard bills finance rate, current prime rate, LIBOR as determined the bank and 2.5% p.a., highest of PNBHK prime rate/US$ prime rate+1.5%, or 6 month US$6M LIBOR+3.5% 4 months LIBOR+5% subject to a minimum of 7% p.a.	2014	187,100,395
Factoring**	0.18% of gross invoice amount with recourse term	2015	1,891,660	0.18% of gross invoice amount with recourse term	2014	10,476,763
			143,343,059			242,308,155

* Denominated in HK$
** Denominated in US$
*** Denominated in GBP and US$

24. INTEREST-BEARING BANK BORROWINGS (continued)

	Group 2015 HK$	Group 2014 HK$	Company 2015 HK$	Company 2014 HK$
Analysed into:				
Bank overdrafts	10,573,487	–	–	–
Bank loans repayable within one year	312,434,425	366,582,729	140,689,359	236,906,415
Bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause	2,744,700	5,401,740	2,744,700	5,401,740
Amounts shown under current liabilities	325,752,612	371,984,469	143,343,059	242,308,155

Notes:

(a) The Group's banking facilities are secured by way of:

(i) the pledged of certain of the Group's time deposits and marketable securities;

(ii) bank guarantees with aggregate of HK$5,835,000 (2014: HK$14,004,000);

(iii) guarantees from the ultimate holding company, fellow subsidiaries, directors of the Company and a related party; and

(iv) certain of the Group's and the Company's insurance deposits.

(b) The bank loan is secured by the Group's investment properties with an aggregate carrying amount of HK$13,431,265 (2014: HK$13,760,721) (note 12 to the financial statements), interest-bearing at 2.25% over one month HIBOR per annum and repayable by 119 equal monthly installments which commenced on 10 September 2006.

(c) The bank loan is secured by the Group's certain investment properties with an aggregate carrying amount of HK$17,332,511 (2014: HK$17,736,526) (note 12 to the financial statements), interest-bearing at 2% below the related banks' best lending rate per annum and repayable by 120 equal monthly installments which commenced on 30 September 2007.

(d) The term loan is secured by the pledge of certain insurance policies, interest-bearing at 1% over one month HIBOR per annum and repayable by 83 equal monthly installments which commenced on 8 October 2010. The term loan from a subsidiary is secured by the pledge of certain collateral investments and interest-bearing at 1% LIBOR per annum.

25. DERIVATIVE FINANCIAL INSTRUMENTS

Assets

	Group 2015 HK$	Group 2014 HK$	Company 2015 HK$	Company 2014 HK$
Foreign currency contracts	9,671,925	–	8,985,964	–
Liabilities				
Foreign currency contracts	–	1,369,350	–	683,979

Cash flow hedges

At 31 March 2015, the Group and the Company held 52 and 43 forward currency contracts (2014: 63 and 38), respectively, and they are designated as hedges in respect of expected future sales to customers in the United Kingdom for which the Group and the Company have firm commitments.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges relating to expected future sales between April 2015 and March 2016 were assessed to be highly effective and a net gain of HK$11,041,275 (2014: a net loss of HK$22,060,104) was included in the hedging reserve for the year.

26. DEFERRED TAX LIABILITIES/(ASSETS)

The movements in deferred tax liabilities/(assets) during the year are as follows:

Group

	Depreciation allowance in excess of related depreciation HK$	Cash flow hedges HK$	Total HK$
At 1 April 2013	438,540	3,413,929	3,852,469
Deferred tax credited to the consolidatedstatement of profit or loss during the year (note 8)	(185,982)	–	(185,982)
Deferred tax credited to other comprehensive income during the year	–	(3,639,873)	(3,639,873)
At 31 March 2014 and at 1 April 2014	252,558	(225,944)	26,614
Deferred tax credited to the consolidated statement of profit or loss during the year (note 8)	(712,497)	–	(712,497)
Deferred tax charged to other comprehensive income during the year	–	1,821,808	1,821,808
At 31 March 2015	(459,939)	1,595,864	1,135,925

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2015 HK$	2014 HK$
Net deferred tax liabilities recognised in the consolidated statement of financial position	1,541,854	177,301
Net deferred tax assets recognised in the consolidated statement of financial position	(405,929)	(150,687)
	1,135,925	26,614

Company

	Depreciation allowance in excess of related depreciation HK$	Cash flow hedges HK$	Total HK$
At 1 April 2013	(277,039)	3,239,414	2,962,375
Deferred tax credited to the statement of profit or loss during the year	292,818	–	292,818
Deferred tax charged to other comprehensiveincome during the year	–	(3,352,272)	(3,352,272)
At 31 March 2014 and at 1 April 2014	15,779	(112,858)	(97,079)
Deferred tax charged to the statement of profit or loss during the year	(65,579)	–	(65,579)
Deferred tax credited to other comprehensive income during the year	–	1,595,538	1,595,538
At 31 March 2015	(49,800)	1,482,680	1,432,880

27. SHARE CAPITAL

	2015 HK$	2014 HK$
Issued and fully paid:		
4,000,000 (2014: 4,000,000) ordinary shares	31,120,000	31,120,000

28. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity on pages 9 and 10 of the financial statements.

(b) Company

	Share capital HK$	Available-for-sale investment revaluation reserve HK$	Hedging reserve HK$	Retained profits HK$	Total equity HK$
At 1 April 2013	31,120,000	(53,634)	16,393,403	275,933,982	323,393,751
Profit for the year	–			30,041,412	30,041,412
Other comprehensive loss for the year:					
Change in fair values of available-for-sale investments, net of tax	–	(51,695)	–	-	(51,695)
Cash flow hedges, net of tax	–	–	(16,964,522)	-	(16,964,522)
Total comprehensive income for the year	–	(51,695)	(16,964,522)	30,041,412	13,025,195
Interim dividend paid	–	–	–	(15,560,000)	(15,560,000)
At 31 March 2014 and at 1 April 2014	31,120,000	(105,329)*	(571,119)*	290,415,394*	320,858,946
Profit for the year	–	–	–	10,213,252	10,213,252
Other comprehensive income for the year:					
Change in fair values of available-for-sale investments, net of tax	–	122,931	–	–	122,931
Cash flow hedges, net of tax	–	–	8,074,402	–	8,074,402
Total comprehensive income for the year	–	122,931	8,074,402	10,213,252	18,410,585
Interim dividend paid	–	–	–	(7,780,000)	(7,780,000)
At 31 March 2015	31,120,000	17,602*	7,503,283*	292,848,646*	331,489,531

* These reserve accounts comprise the reserves of HK$300,369,531 (2014: HK$289,738,946) in the Company's statement of financial position.

Norwest Industries Limited

29. BUSINESS COMBINATION

(a) On 24 March 2015, the Group acquired a 100% equity interest in Razamtazz Limited from an independent third party. Razamtazz Limited is engaged in investment in properties. The fair values of the identifiable assets of Razamtazz Limited as at the date of acquisition were as follows:

	Fair value recognised on acquisition# HK$
Consideration for a 100% equity interest acquired	98,209,663
Net assets	
Investment properties	98,209,663
Held-to-maturity financial assets	6,542,913
Prepayments, deposits and other receivables	1,214,612
Cash and cash equivalent	135,113
Other payables and accruals	(5,099,532)
Interest-bearing bank borrowings	(3,652,279)
Total identifiable net assets at fair value	97,350,490
Goodwill on acquisition (note 16)	859,173
Satisfied by cash consideration	98,209,663

Provisional amounts for Razamtazz Limited determined based on management's best estimates of the fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed, and subject to revision upon their further assessment.

An analysis of the cash flows in respect of the acquisitions of the Razamtazz Limited is as follows:

	HK$
Cash consideration	(98,209,663)
Cash and bank balances acquired	135,113
Net cash outflow per the consolidated statement of cash flows	(98,074,550)

Subsequent to the acquisition, Razamtazz Limited had no revenue and profit contributed to the Group's consolidated financial statements for the year ended 31 March 2015. Prior to the acquisition, Razamtazz had revenue and loss of HK$2,547,776 and HK$3,376,080, respectively, for the year ended 31 March 2015.

(c) On 10 April 2013, the Group acquired a 70% equity interest in Nor Europe SL from an independent third party. Nor Europe SL is engaged in the provision of sourcing services. The fair values of the identifiable assets of Nor Europe SL as at the date of acquisition were as follows:

	Fair value recognised on acquisition# HK$
Consideration for a 100% equity interest acquired	29,875
Net assets	
Other receivables	194,205
Cash and cash equivalent	358,763
Due to an intermediate holding company	(523,093)
Total identifiable net assets at fair value	29,875
Net cash inflow per the consolidated statement of cash flows	328,888

Subsequent to the acquisition, Nor Europe SL had revenue and profit of nil and HK$76,825 contributed to the Group's consolidated financial statements for the year ended 31 March 2014. Prior to the acquisition, Nor Europe SL had revenue and loss of nil and HK$139,132, respectively, for the year ended 31 March 2014.

30. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	Group		Company	
	2015 HK$	2014 HK$	2015 HK$	2014 HK$
Guarantees given to banks in connection with facilities granted to:				
Subsidiaries and fellow subsidiaries	–	–	462,141,595	427,122,000
Fellow subsidiaries	289,010,348	213,950,000	–	–

These amounts represent the aggregate amounts that could be required to be paid if the guarantees were called upon in entirety. At 31 March 2015, the banking facilities granted to subsidiaries and fellow subsidiaries subject to guarantees given to banks by the Company were utilised to the extent of approximately HK$322,094,021 (2014: HK$336,344,880), and the banking facilities guaranteed by the Group to fellow subsidiaries were utilised to the extent of approximately HK$244,859,362 (2014: HK$130,283,880).

31. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group and the Company leased some of its investment properties (note 12 to the financial statements) under operating lease arrangements with the lease negotiated for terms ranging from one to four years. At 31 March 2015, the Group and the Company had a total future minimum lease receivables of HK$132,144 (2014: Nil) under a non-cancellable operating lease falling within a year, and HK$157,105 (2014: Nil) falling within second to fifth years.

(b) As lessee

The Group leases certain of its staff quarters and office properties under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to four years. At 31 March 2015, the Group and the Company had total future minimum lease payments under the non-cancellable operating leases falling due as follows:

Within one year	8,419,707	24,095,807	4,913,230	2,182,911
In the second to fifth years, inclusive	11,129,192	10,987,160	6,831,067	5,006,562
	19,548,899	35,082,967	11,744,297	7,189,473

32. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2015 HK$	2014 HK$
Fellow subsidiaries:			
Sales of goods	(i)	16,581,752	39,822,260
Purchases of goods	(ii)	–	4,712,410
Handling fees received	(iii)	19,797,541	15,561,673
Marketing fees paid	(iv)	64,997,117	123,165,667
Rentals received	(v)	1,735,800	2,027,738
Interest received	(vi)	568,293	979,455
Service fees received	(vii)	8,670,521	47,022
Support services fee paid	(viii)	5,759,807	8,583,482
Sampling fees received	(ix)	11,124,525	10,988,171
Management fees paid	(x)	2,205,754	2,200,460
Rental fees paid	(xi)	858,384	594,897
Design expenses paid	(xii)	543,316	609,428
Consultancy fees paid	(xiii)	1,784,056	1,505,388
Consultancy fees received	(xiv)	–	184,269
Immediate holding company:			
Marketing fee paid	(iv)	11,670,000	709,536
Management fees paid	(x)	35,831,543	23,966,212

Notes:

(i) The sales were made according to the prices and conditions mutually agreed between the Group and the respective fellow subsidiaries.

(ii) The purchases were made according to the prices and conditions mutually agreed between the Group and the respective fellow subsidiaries.

(iii) The handling fees received were charged based on terms mutually agreed between the Group and the respective fellow subsidiaries.

(iv) The marketing fees paid were related to the provision of marketing services provided by fellow subsidiaries or the immediate holding company and were based on terms mutually agreed between the Group and the respective fellow subsidiaries or the immediate holding company.

(v) The rentals received were based on the area of the office space occupied and on terms mutually agreed between the Group and the respective fellow subsidiaries.

(vi) The interest was charged at 7.5% per annum in respect of an amount due from a fellow subsidiary.

(vii) The service fees received were charged based on terms mutually agreed between the Group and the respective fellow subsidiaries.

(viii) The support services fees paid were charged based on terms mutually agreed between the Group and the respective fellow subsidiaries.

(ix) The sampling fees received were charged based on terms mutually agreed between the Group and the respective fellow subsidiaries.

(x) The management fees paid were charged on terms mutually agreed between the Group and the respective fellow subsidiaries or the immediate holding company.

(xi) The rental fees paid were charged based on terms mutually agreed between the Group and the respective fellow subsidiaries.

(xii) The design expenses paid were charged based on terms mutually agreed between the Group and a fellow subsidiary.

(xiii) The consultancy fees paid were charged based on terms mutually agreed between the Group and the respective fellow subsidiaries.

(xiv) The consultancy fees received were charged based on terms mutually agreed between the Group and a fellow subsidiary.

(b) Outstanding balances with related parties:

(i) The amount due from a joint venture is unsecured, interest-free and has no fixed terms of repayment.

(ii) Except for an unsecured amount due from a fellow subsidiary of HK$3,032,448 (2014: HK$11,008,992) as at 31 March 2015 which is interest-bearing at 7.5% per annum and has no fixed terms of repayment, all other balances with fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

(iii) The amounts due from non-controlling shareholders, included in current assets, are unsecured, interest-free and have no fixed terms of repayment.

(iv) The balances with the immediate holding company and the ultimate holding company, included in current liabilities, are unsecured, interest-free and have no fixed terms of repayment.

(v) The loans from non-controlling shareholders are unsecured, interest-free and repayable within one year but a default interest rate of 7.5% would be charged on any unpaid amount.

33. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Group and the Company comprise held-to-maturity financial assets, trade and bills receivables, deposits and other receivables, amounts due from fellow subsidiaries, the ultimate holding company, the immediate holding company, a joint venture, subsidiaries and non-controlling shareholders, a loan to a subsidiary, pledged time deposits, and cash and bank balances, which are categorised as loans and receivables, whereas available-for-sales investments are categorised as available-for-sale financial assets. Derivative financial instruments are categorised as financial assets at fair value through profit or loss - held for trading. The carrying amounts of these financial assets are the amounts shown on the consolidated and company statements of financial position or in corresponding notes to the financial statements.

The financial liabilities of the Group and the Company comprise trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings, amounts due to fellow subsidiaries, the ultimate holding company, the immediate holding company and subsidiaries, and loans from non-controlling shareholders, which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the consolidated and company statements of financial position or in the corresponding notes to the financial statements.

34. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have asignificant effect on the recorded fair value are not based on observable market data (unobservable inputs)

As at 31 March 2015, the Group's and the Company's available-for-sale investments and derivative financial instruments were measured at Level 2 fair value.

During the years ended 31 March 2015 and 31 March 2014, there were no transfers of fair value measurements between Level 1 and Level 2, and no transfer into or out of Level 3.

The fair values of trade and bills receivables, deposits and other receivables, amounts due from fellow subsidiaries, the ultimate holding company, the immediate holding company, subsidiaries, a joint venture and non-controlling shareholders, a loan to a subsidiary, pledged time deposits, cash and cash equivalents, trade and bills payables, other payables and accruals, interest-bearing bank borrowings, amounts due to the ultimate holding company, the immediate holding company and fellow subsidiaries, and loans from non-controlling shareholders approximated to their carrying amounts largely due to the short term maturities of these instruments.

The carrying amounts and fair values of the Group and Company's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts 2015 HK$	Fair values 2015 HK$	Carrying amounts 2014 HK$	Fair values 2014 HK$
Financial asset				
Held-to-maturity financial assets	6,528,374	6,982,231	–	–

The fair value of the held-to-maturity financial assets is determined by reference to the market price as at 31 March 2015.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's exposure to interest rate risk, foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Group's financial management policies and practices described below:

Interest rate risk

The Group's interest rate risk arises from cash and cash equivalents and bank borrowings which bears interest at variable rates.

The following table demonstrates the sensitivity to a reasonably possible change in HK$ interest rate, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK$	Increase/ (decrease) in equity HK$
2015			
HK$	(50)	(1,631,839)	(1,631,839)
HK$	50	1,631,839	1,631,839
2014			
HK$	(50)	(1,015,402)	(1,015,402)
HK$	50	1,015,402	1,015,402

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the Group's functional currency. Approximately 41% (2014: 44%) of the Group's sales are denominated in currencies other than the functional currency of the Group. The Group uses forward currency contracts to eliminate the foreign currency exposures on its sales transactions, for which the corresponding settlements are anticipated to take place more than one month after the Group has entered into firm commitments for the sales. The forward currency contracts must be in the same currency as that of the hedged items. The Group negotiates the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. It is the Group's policy that a forward contract is not entered into until a firm commitment is in place.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the GBP exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in the exchange rate	Increase/ (decrease) in profit before tax
	%	HK$
31 March 2015		
If HK$ weakens against GBP	10.0	22,980,982
If HK$ strengthens against GBP	(10.0)	(22,980,982)
31 March 2014		
If HK$ weakens against GBP	10.0	2,635,203
If HK$ strengthens against GBP	(10.0)	(2,635,203)

Credit risk

The Group trades on credit terms only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise deposits and other receivables, amounts due from group companies, bank balances and pledged time deposits, arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. As the Group's trade receivables relate to diversified debtors, there is no significant concentration of credit risk within the Group.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 20 to the financial statements.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within one year subsequent to the end of the reporting period.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to its shareholders, return capital to the shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2015 and

31 March 2014.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on

25 May 2015.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Nor Lanka Manufacturing Colombo Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Nor Lanka Manufacturing Colombo Limited, which comprise the statement of financial position as at 31 March 2015 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information as set out in *pages 2 to 20.*

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor?s judgement, including the assessment of the risks 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 entity?s preparation of financial statements that give a true and fair view 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 entity?s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of 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 the financial statements give a true and fair view of the financial position of Nor Lanka Manufacturing Colombo Limited as at 31 March 2015 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151 (2) of the Companies Act, No. 7 of 2007.

Colombo

Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

(all amounts are in US Dollars)

	Notes	Year Ended 2015	Year Ended 2014
Operating activities			
Revenue	4	27,283,087	26,149,939
Cost of sales		(24,932,142)	(24,187,868)
Gross profit		2,350,945	1,962,071
Administrative expenses		(1,937,739)	(2,354,780)
Distribution expenses		(91,838)	(64,496)
Other income	5	36,649	Nil
Operating profit / (loss)	6	358,017	(457,205)
Finance income	8	2,507	206,906
Finance costs	8	(241,023)	(11,606)
Finance (costs) / income - net	8	(238,516)	195,300
Profit / (loss) before tax		119,501	(261,905)
Income tax	9	45,239	Nil
Profit / (loss) for the year		164,740	(261,905)
Earnings / (loss) per share - basic	10	0.03	(0.05)

Notes on pages 6 to 20 form an integral part of these financial statements

Report of the independent auditor's on page 1

STATEMENT OF FINANCIAL POSITION

(all amounts are in US Dollars)

	Notes	31 March 2015	31 March 2014
ASSETS			
Non-current assets			
Plant and equipment	11	269,324	237,037
Intangible assets	12	22,921	Nil
Deferred tax assets	13	45,239	Nil
		337,484	237,037
Current assets			
Inventories14	14	3,564,200	3,949,550
Trade and other receivables	15	20,510,321	10,165,354
Cash and cash equivalents	17	398,230	85,128
		24,472,751	14,200,032
Total assets		24,810,235	14,437,069
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	23	523,499	523,499
Accumulated losses		(237,062)	(401,802)
		286,437	121,697
Non-current liabilities			
Borrowings	19	46,771	Nil
Defined benefit obligations	20	115,619	63,537
		162,390	63,537
Current liabilities			
Trade and other payables	21	17,820,100	13,314,535
Borrowings	19	6,541,308	937,300
		24,361,408	14,251,835
Total liabilities		24,523,798	14,315,372
Total equity and liabilities		24,810,235	14,437,069

The Board of Directors is responsible for

preparation and presentation of these financial statements. These financial statements were approved for issue by the Board of Directors on...

Directors

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 7 of 2007.

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

(all amounts are in US Dollars)

	Notes	Stated capital	Accumulated losses	Total
Balance at 1 April 2013		16	(139,897)	(139,881)
Issue of shares	23	523,483	Nil	523,483
Loss for the year		Nil	(261,905)	(261,905)
Balance at 31 March 2014		523,499	(401,802)	121,697
Balance at 1 April 2014		523,499	(401,802)	121,697
Profit for the year		Nil	164,740	164,740
Balance at 31 March 2015		523,499	(237,062)	286,437

Notes on pages 6 to 20 form an integral part of these financial statements

NOR Lanka Manufacturing Limited

STATEMENT OF CASH FLOW

(all amounts are in US Dollars)

	Notes	Year ended 31 March 2015	Year ended 31 March 2014
Operating activities			
Cash used in operations	24	(5,013,546)	(1,187,779)
Interest paid		(149,083)	(11,606)
Interest received	8	2,507	1,349
Net cash used in operating activities		(5,160,122)	(1,198,036)
Investing activities			
Purchase of plant and equipment		(82,732)	(187,945)
Purchase of intangible assets	12	(28,411)	Nil
Net cash used in investing activities		(111,143)	(187,945)
Financing activities			
Proceeds from issuance of ordinary shares	23	Nil	523,483
Proceeds from borrowings		13,949,287	1,376,322
Repayments of borrowings		(9,493,203)	(666,406)
Finance lease principal repayments		(3,394)	Nil
Net cash generated from financing activities		4,452,690	1,233,399
Decrease in cash and cash equivalents		(818,575)	(152,582)
Movement in cash and cash equivalents			
At the beginning of the year		(142,256)	10,326
Decrease		(818,575)	(152,582)
At end of the year	17	(960,831)	(142,256)

NOTES TO THE FINANCIAL STATEMENTS

(In the notes all amounts are shown in United States Dollars unless otherwise stated)

General information

The Company was incorporated under the Companies Act, No. 07 of 2007 on 06 November 2009 as GC Lanka (Private) Limited. The name of the Company was changed to Nor Lanka Manufacturing Colombo Limited on 19 December 2012. The Company carries on the business of export locally procured manufactured garments. The registered office is situated at No. 423, Negambo Road, Wattala.

These financial statements have been approved for issue by the Board of Directors on 4 June 2015

Summary of significant accounting policies

These financial statements are prepared in accordance with the Sri Lanka Accounting Standards for 'Small and Medium-sized Entities? (SLFRS for SMEs). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Nor Lanka Manufacturing Colombo Limited have been prepared in accordance with the Sri Lanka Accounting Standards for ?SLFRS for Small and Medium-sized Entities? (SLFRS for SMEs). They have been prepared under the historical cost convention, as modified by the fair valuation of financial assets and liabilities at amortised cost.

The preparation of financial statements in conformity with the SLFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 3.

The financial statements are prepared and presented in United States Dollars (US$), and the Directors of the Company are of the opinion that the use of US$ as the functional currency provides information about the Company that is useful and reflects the economic substance of the underlying events and circumstances relevant to the Company due to:

(i) All raw material purchases, which constitute the majority of the expenses are paid for in US$;

(ii) Sales are invoiced and settled in US$; and

(iii) The demand for the Company's products and sales prices are dependent upon competitive forces outside the country of domicile (i.e. Sri Lanka).

Financial statements are also prepared in Sri Lanka Rupees for local statutory requirements.

2.2 Foreign currency translation

(a) Functional and presentation currency

The items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollar, which is considered the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the reporting currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end-exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses are presented in profit or loss within ?finance income / (costs) - net?.

2.3 Plant and equipment

(a) Measurement

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

All Plant and equipment which initially recorded at historical cost. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The 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 cost of the item can be measured reliably. The carrying amount of the replaced parts are derecognised. All repair and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

(b) Depreciation

Depreciation on assets is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives, using the straight-line method commencing from the month in which the asset is available for use.

The estimated useful lives range as follows:

Furniture and fittings	3 years
Other equipment	3 years
Office equipments	3 years
Computer equipment	3 years
Motor vehicles	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains / (losses) - net, in the statement of comprehensive income.

2.4 Intangible assets

Computer software and licenses

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;

- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their reliable estimated useful life of 3 years.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.5 Impairment of non-financial assets other than inventories

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset?s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset?s (or CGU?s) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less cost to complete and sell. Cost is determined using the Weighted Average Cost (WAC) method. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.7 Financial assets - loans and receivables

2.7.1 Classification

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. the Company's loans and receivables comprise trade and other receivables and cash and cash equivalent in the statement of financial position (Notes 2.10 and 2.11).

2.7.2 Recognition and measurement

Loans and receivables are initially measured at fair value and subsequently carried at amortised cost using the effective interest method.

2.8 Financial liabilities

2.8.1 Classification and initial recognition

Financial liabilities are initially recognised at fair value, net of transaction costs.

The Company classifies its financial liabilities as other financial liabilities, based on the purpose for which the financial liabilities were issued.

2.8.2 Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using effective interest method.

2.8.3 Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

2.8.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Impairment of financial assets - assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ?loss event?) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset?s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset?s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument?s fair value using an observable market price.

2.10 Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

2.11 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in deposits held at call with banks.

Bank overdraft are shown with borrowings in current liabilities in the statement of financial position.

2.12 Stated capital

The ordinary shares are classified as equity.

2.13 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are initially recognised at the transaction price including transaction costs. These are subsequently stated at amortised cost.

2.15 Borrowing costs

All borrowing costs are recognised as an expense in statement of comprehensive income in the period in which they are incurred.

2.16 Employee benefits

(a) Defined benefit plan - Gratuity

Defined benefit plan defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as years of service and compensation. The defined benefit plan comprises the gratuity provided under the Act, No 12 of 1983.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by the Company using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds, as there is no deep market on high quality corporate bonds, by the Company.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

(b) Defined contribution plans

All local employees of the Company are members of the Employees' Provident Fund and Employees' Trust Fund, to which their employer contributes 12% and 3% respectively of such employees' basic or consolidated wage or salary, cost of living and all other allowances.

(c) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

NOR Lanka Manufacturing Limited

2.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The provisions are measured at the present value of expenditures expected to be required to settle the obligation.

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss.

The provision for current income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act, No.10 of 2006.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The principal temporary differences arise from depreciation on property, plant and equipment and defined benefit obligations.

2.19 Revenue recognition

(a) Sale of goods

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company?s activities. Revenue is shown net of all applicable taxes and levies, returns, rebates and discounts.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Other income

Other income is recognised on an accrual basis.

2.20 Expenditure

The expenses are recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining plant and equipment in a state of efficiency is charged against income in arriving at the result for the year.

2.21 Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Company leases certain items of property, plant and equipment. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease?s commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial position. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.22 Dividend distribution

Dividend distribution to the Company?s shareholders is recognised as a liability in the Company?s financial statements in the period in which the dividends are approved by the Company?s shareholders.

2.23 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. A summary of such changes is as follows:

Bank charges, debit tax, stamp duty and LC commissions previously disclosed under finance costs are now shown under administrative expenses.

Management believes that the above re-classifications give a fairer presentation.

3 Information about key sources of estimation uncertainty and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of non - financial assets other than inventories

The Company test annually the indicators to ascertain whether non-financial assets have suffered any impairment, in accordance with the accounting policy stated in Note 2.5. These calculations require the use of estimates.

(b) Useful lives of plant and equipment

The Company reviews annually the estimated useful lives of plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of plant and equipment would increase the recorded depreciation charge and decrease the property, plant and equipment.

(c) Defined benefit obligations

The present value of the gratuity obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for gratuity include the discount rate. Any changes in these assumptions will impact the carrying amount of gratuity obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for gratuity obligations are based in part on current market conditions, additional information is disclosed in Note 20.

3.2 Critical judgements in applying the entity?s accounting policies

No judgements have been made in applying the entity's accounting policies.

4 Revenue

	2015	2014
Sales [Note 25 (i)]	27,283,087	26,149,939

Sales of the Company wholly consists of proceeds received / receivable from trading of garments to Nor Lanka Manufacturing Limited, the parent company.

5 Other income

Commission income	1,822	Nil
Surcharge from suppliers [See Note (a) below]	34,776	Nil
Other miscellaneous income	51	Nil
	36,649	Nil

(a) Surcharge from suppliers consists of penalty for late supply of raw materials.

6 Expenses by nature

The following items have been charged in arriving at operating profit / (loss).

Directors' emoluments	Nil	Nil
Auditors' remuneration - audit	5,810	3,900
Auditors' remuneration - non audit	1,020	2,139
	6,830	6,039
Depreciation on plant and equipment (Note)		
- owned assets	104,549	54,366
- leased assets	2,000	Nil
	106,549	54,366
Amortisation charge of intangible assets (Note 12)	5,490	Nil
Repair and maintenance expenditure	62,478	54,516
Operating lease rentals - property	37,942	79,772
Employee benefit expenses (Note 7)	939,011	1,101,324

		2015	2014
7	**Employee benefit expenses**		
	Salaries and wages	636,953	806,165
	Defined contribution plans	243,560	263,390
	Defined benefit obligations (Note 20)	58,498	31,769
		939,011	1,101,324
	Average monthly number of employees employed by the Company during the year:	200	218
8	**Finance income and costs - net**		
	Finance income:		
	Interest income	2,507	1,349
	Net foreign exchange transaction and translation gains	Nil	205,557
		2,507	206,906
	Finance costs:		
	Net foreign exchange transaction and translation losses	(91,419)	Nil
	Interest expense		
	- bank overdrafts	(13,653)	(211)
	- bank borrowings	(133,811)	(11,395)
	- finance lease liabilities	(2,140)	Nil
		(241,023)	(11,606)
	Finance (cost) / income - net	(238,516)	195,300
9	**Income tax**		
	Current tax :		
	Current tax on profits for the year	Nil	Nil
	Total current tax	Nil	Nil
	Deferred tax :		Nil
	Deferred tax credited to statement of comprehensive income (Note 13)	(45,239)	Nil
	Income tax expenses	(45,239)	Nil

The tax on the Company's profit / (loss) before tax differs from the theoretical amount that would arise using the effective tax rate applicable to profit / (loss) of the Company as follows:

	2015	2014
Profit / (loss) before tax	119,501	(261,905)
Tax calculated at the effective tax rate of 12% (2014 - 12%)	14,340	(31,429)
Expenses not deductible for tax purposes	902	22,384
Income not subject to tax	(23,802)	(161)
Tax losses for which no deferred tax assets recognised	8,560	9,206
Tax charge	Nil	Nil

As per the agreement with the Board of Investment of Sri Lanka (BOI) dated 7 April 2010 under Section 17 of the BOI Law No. 4 of 1978 the Company's profits and income from export sales are exempt from income tax for a period of five years (provided the annual turnover of the Company exceeds USD 26 Million) from the year of assessment reckoned from the year in which the Company commences to make profits or any year of assessment not later than two years reckoned from the date of commencement of commercial operations whichever is earlier, as may be specified in a certificate issued by the BOI.

The tax exemption period has commenced during the year ended 31 March 2015 since the Company has completed the two years period after commencing commercial operations and the turnover for the year ended 31 March 2015 exceeded USD 26 Million [turnover for the year amounted to USD 27,283,087 (Note 4)].

If the annual turnover of the Company is below USD 26 Million in any year of assessment during the tax holiday period the Company is liable to pay tax at a rate of 12% on its profits from export sales.

The tax losses available for carry forward as at 31 March 2015 amounting to USD 283,756 (as at 31 March 2014 - USD 283,756) wholly consist of tax losses incurred prior to commencement of tax holiday.

Further information about deferred tax is presented in Note 13.

10 **Earnings / (loss) per share**

Basic earnings / (loss) per share is calculated by dividing the net profit / (loss) attributable to shareholders by the number of ordinary shares in issue during the year.

	2015	2014
Net profit / (loss) attributable to equity holders of the Company	164,740	(261,905)
Weighted average number of ordinary shares in issue [Note 23 (b)]	6,442,700	4,832,075
Basic earnings / (loss) per share (US $)	0.03	(0.05)

12 **Intangible assets**

	Computer software	Total
Year ended 31 March 2015		
Opening net book value	Nil	Nil
Additions	28,411	28,411
Amortisation charge (Note 6)	(5,490)	(5,490)
Closing net book amount	22,921	22,921
At 31 March 2015		
Cost	28,411	28,411
Accumulated amortisation	(5,490)	(5,490)
Net book amount	22,921	22,921

11 **Plant and equipment**

	Furniture & fittings	Other equipment	Computer equipment	Office Equipment	Motor Vehicles	Total
At 1 April 2014						
Cost	79,437	8,776	16,039	Nil	Nil	104,252
Accumulated depreciation	(290)	(474)	(30)	Nil	Nil	(794)
Net book amount	79,147	8,302	16,009	Nil	Nil	103,458
Year ended 31 March 2014						
Opening net book amount	79,147	8,302	16,009	Nil	Nil	103,458
Additions	50,973	26,259	104,119	6,594	Nil	187,945
Depreciation charge (Note 6)	(31,656)	(6,374)	(15,807)	(529)	Nil	(54,366)
Closing net book amount	98,464	28,187	104,321	6,065	Nil	237,037
At 31 March 2014						
Cost	130,410	35,035	120,158	6,594	Nil	292,197
Accumulated depreciation	(31,946)	(6,848)	(15,837)	(529)	Nil	(55,160)
Net book amount	98,464	28,187	104,321	6,065	Nil	237,037
Year ended 31 March 2015						
Opening net book amount	98,464	28,187	104,321	6,065	Nil	237,037
Additions	13,653	Nil	58,515	3,639	72,816	148,623
Effect of changes in exchange rates - cost	(3,984)	(1,365)	(5,212)	(328)	Nil	(10,889)
Effect of changes in exchange rates - accumulated depreciation	(997)	214	1,845	40	Nil	1,102
Depreciation charge (Note 6)	(45,299)	(11,223)	(45,423)	(2,604)	(2,000)	(106,549)
Closing net book amount	61,837	15,813	114,046	6,812	70,816	269,324
At 31 March 2015						
Cost	140,079	33,670	173,461	9,905	72,816	429,931
Accumulated depreciation	(78,242)	(17,857)	(59,415)	(3,093)	(2,000)	(160,607)
Net book amount	61,837	15,813	114,046	6,812	70,816	269,324

NOR Lanka Manufacturing Limited

13 Deferred income tax assets

Deferred income taxes are calculated on all temporary differences under the liability method. Temporary differences at the statement of financial position date are calculated using a tax rate of 12% applicable on profit on the expiry of the tax exemption period. The movement on the deferred income tax account is as follows:

	2015	2014
At the beginning of the year	Nil	Nil
Credited to statement of comprehensive income (Note 9)	45,239	Nil
At end of the year	45,239	Nil

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets		
- Deferred tax assets to be recovered after more than 12 months	47,925	Nil
Deferred tax liabilities		
- Deferred tax liabilities to be recovered after more than 12 months	Nil	Nil
- Deferred tax liabilities to be recovered within 12 months	(2,686)	Nil
	(2,686)	Nil
Deferred tax (liabilities) / assets - net	45,239	Nil

The movement in deferred income tax assets and liabilities during the year, without taking in to consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Accelerated tax depreciation	Total
At 1 April 2014	Nil	Nil
Charged to statement of comprehensive income	(2,686)	(2,686)
At 31 March 2015	(2,686)	(2,686)

Deferred tax assets	Defined benefit obligations	Tax losses	Total
At 1 April 2014	Nil	Nil	Nil
Credited to statement of comprehensive income	13,874	34,051	47,925
At 31 March 2015	13,874	34,051	47,925

14 Inventories

Raw materials	3,564,200	3,949,550

Short term bank borrowings which consist of packing credit loans are secured by a floating charge over corresponding inventories (Note 19).

15 Trade and other receivables

Trade receivables from parent company [Note 25 (v)]	15,115,840	8,287,826
Prepayments [See Note (a) below]	38,709	59,805
Other receivables [See Note (b) below]	5,317,053	1,782,880
Statutory receivables	38,719	34,843
	20,510,321	10,165,354

(a) Prepayments mainly consist of prepaid rent amounting to USD Nil (2014 - USD 23,036), prepaid insurance of USD 33,089 (2014 - USD 25,502) and other prepaid expenses of USD 5,620 (2014 - USD 11,267).

(b) Other receivables mainly consist of advances paid to sub contracting manufactures amounting to USD 4,418,764 (2014 - USD 1,646,065) and rent deposits amounting to USD 64,403 (2014 - USD 109,255).

16 Financial instruments by category

Financial Assets- measured at authorised cost

	2015	2014
Trade and other receivables (excluding prepayments and statutory receivables)	20,432,893	10,070,706
Cash and cash equivalents (Note 17)	398,230	85,128
	20,831,123	10,155,834
Financial liabilities - measured at amortised cost		
Trade and other payables (excluding statutory payables)	17,802,488	13,297,214
Bank overdraft (Note 19)	1,359,061	227,384
Short term borrowings (Note 19)	5,166,000	709,916
Finance lease liabilities (Note 19)	63,018	Nil
	24,327,549	14,234,514

17 Cash and cash equivalents

Cash in hand and at bank	398,230	85,128
For the purposes of the cash flow statement, the year end cash and cash equivalents are as follows:		
Cash at bank and in hand	398,230	85,128
Bank overdrafts (Note 19)	(1,359,061)	(227,384)
	(960,831)	(142,256)

18 Trade and other payables

Trade payables	4,624,962	5,684,122
Amount due to parent company [Note 25 (vi)]	13,092,488	7,405,408
Accrued expenses [See Note (a) below]	85,038	207,684
Statutory payables	17,612	17,321
	17,820,100	13,314,535

(a) Accrued expenses mainly consists of rent payable amounting to USD 24,200 (2014 - USD 67,000), mobile data charge payable amounting to USD 10,260 (2014 - USD 17,439) and fright charges payable of USD 38,500 (2014 - USD 13,500).

19 Borrowings

Non-current		
Finance lease liabilities [See Note (c) below]	46,771	Nil
	46,771	Nil
Current		
Bank overdraft	1,359,061	227,384
Short term borrowings	5,166,000	709,916
Finance lease liabilities [See Note (c) below]	16,247	Nil
	6,541,308	937,300
Total Borrowings	6,588,079	937,300

(a) Total borrowings includes secured liabilities amounting to USD 6,588,079 (2014 - USD 937,300). Short term borrowings and bank overdrafts are secured by corporate guarantees from Nor Lanka Manufacturing Limited, the immediate parent company, and personal guarantee from a director [Note 25 (iii)]. In addition short term bank borrowings which consist of packing credit loans are also secured by a floating charge over corresponding inventories.

(b) The interest rate exposure of the borrowings of the Company are as follows:

Total borrowings		
- at floating rates	6,525,061	937,300
- at fixed rates	63,018	Nil
	6,588,079	937,300
Weighted average interest rates		
- bank overdrafts	4.5%	6.5%
- short term borrowings	4.3%	6.5%
- finance lease liabilities	10%	Nil

(c) Finance lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	2015
Gross finance lease liabilities – minimum lease payments	
- No later than 1 year	21,725
- Later than 1 year and no later than 5 years	53,478
	75,203
Future finance charges on finance leases	(12,185)
Present value of finance lease liabilities	63,018
Present value of finance lease liabilities is as follows:	
- No later than 1 year	16,247
- Later than 1 year and no later than 5 years	46,771
	63,018

20 **Defined benefit obligations**

	2015	2014
Statement of financial position obligation for:		
- Gratuity	115,619	63,537
Statement of comprehensive income		
- Gratuity	58,498	31,769

(a) The movement in the defined benefit obligations over the year is as follows:

	2015	2014
At the beginning of the year	63,537	Nil
Current service cost	40,153	16,101
Actuarial loss	18,345	15,667
Intercompany transfers	Nil	31,769
Exchange differences	(6,416)	Nil
At the end of the year	**115,619**	**63,537**

(b) The total charge included in the administrative expenses.

(c) As stated in the accounting policy 2.16 as at 31 March 2015 an actuarial valuation was carried out by the Company using the Projected Unit Credit method as per recommendations made in the Sri Lanka Accounting Standards for Small and Medium-sized Entities ("SLFRS for SMEs") section 28; Employee Benefits.

The principal actuarial assumptions used were as follows.

	2015	2014
Discount rate	10.0%	10.0%
Future salary increases	7.5%	5.0%
Staff turnover factor	0.8%	1.5%

The provision for defined benefit obligations is not externally funded.

21 **Contingent liabilities**

There were no material contingent liabilities outstanding at the statement of financial position date.

22 **Commitments**

Capital Commitments

There were no material capital commitments existing at the financial position date.

Operating lease commitments

The Company has a monthly commitment to pay USD 9,993 (2014 - USD 12,423) as rent for office premises. There were no other material operating commitments outstanding at the statement of financial position date.

23 **Stated capital**

	Number of shares issued	Ordinary share value
At 31 March 2013	200	20
Issue of shares	6,442,500	523,483
At 31 March 2014	6,442,700	523,503
At 31 March 2015	6,442,700	523,503

(a) All issued shares are fully paid.

(b) For the purpose of calculation of loss per share in the previous year, the weighted average number of shares have been considered based on the date of issue of shares.

24 **Cash used in operations**

Reconciliation of profit / (loss) before tax to cash used in operations :

	2015	2014
Profit / (loss) before tax	119,501	(261,905)
Adjustments for:		
Depreciation (Note 11)	106,549	54,366
Amortisation charge of intangible assets (Note 12)	5,490	Nil
Interest expense (Note 8)	149,604	11,606
Interest income (Note 8)	(2,507)	(1,349)
Exchange translation differences	3,371	Nil
Changes in working capital:		
- inventories	385,350	(3,617,490)
- trade and other receivables	(10,344,967)	(9,855,646)
- payables	4,505,565	12,450,870
Defined benefit obligations (Note 20)	58,498	31,769
Net cash used in operations	**(5,013,546)**	**(1,187,779)**

25 **Directors' interest in contract and related party transactions**

The Company is controlled by Nor Lanka Manufacturing Limited incorporated in Hong Kong which owns 100% of Company's stated capital and is considered to be the immediate parent company. The ultimate parent company of the Group is Pearl Global Industries Limited, incorporated in India.

The following transactions were carried out with the related parties:

(i) Sale of goods and services:

	2015	2014
Sale of goods:		
Nor Lanka Manufacturing Limited (Note 4)	27,283,087	26,149,939

(ii) Purchase of goods and services:

	2015	2014
Purchase of goods:		
Nor Lanka Manufacturing Limited	Nil	398,914

(iii) Nor Lanka Manufacturing Limited, the immediate parent company, has provided a corporate guarantee amounting to USD 7,000,000 for bank borrowings of the Company.

(iv) Mr. Pallak Seth, a director of Nor Lanka Manufacturing Colombo Limited, has provided a personal guarantee amounting to USD 7,000,000 for bank borrowings of the Company.

Outstanding balances arising on sales / purchases to / from parent company:

(v) Receivables from parent company:

	2015	2014
Nor Lanka Manufacturing Limited	15,115,840	8,287,826

(vi) Payable to parent company:

	2015	2014
Nor Lanka Manufacturing Limited	13,092,488	7,405,408

Key management compensation

Key management personal includes directors (executive and non-executive) who have significant influence over the interest of the Company. The compensation paid or payable to key management for employees service is shown below.

	2015	2014
Salaries and other short term employee benefits	Nil	Nil

26 **Events after the end of reporting date**

No events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, these financial statements.

Nor India Manufacturing Company Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is the trading of garments. There were no significant changes in nature of the Company's principal activity during the year.

Results and dividends

The Company's profit for the year ended 31 March 2015 and its state of affairs at that date are set out in the financial statements on pages 4 to 22.

The directors do not recommend the payment of any dividend in respect of the year.

Directors

The directors of the Company during the year were:

Deepak Kumar Seth

Pallak Seth

In accordance with article 7 of the Company's articles of association, both directors will retire and, being eligible, will offer themselves for re-election.

Directors' interests

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Sd/-

Chairman

Hong Kong

22 May 2015

INDEPENDENT AUDITORS' REPORT

To the shareholder of Nor India Manufacturing Company Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Nor India Manufacturing Company Limited (the "Company") set out on pages 4 to 21, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

To the shareholder of Nor India Manufacturing Company Limited

(Incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at

31 March 2015, and of its profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

22 May 2014

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	3	110,663,354	113,000,059
Cost of sales		(97,582,315)	(99,891,758)
Gross profit		13,081,039	13,108,301
Other income and gains	3	765,733	2,206,877
Selling and distribution expenses		(192,218)	(11,894)
Administrative expenses		(6,851,526)	(5,974,217)
Finance costs	6	(182,423)	(792,698)
PROFIT BEFORE TAX	4	6,620,605	8,536,369
Income tax expense	7	2,224,173	(1,408,500)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		8,844,778	7,127,869

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015	2014
CURRENT ASSETS			
Trade and bills receivables	8	15,167,943	7,245,146
Other receivables		1,152,725	1,752,201
Due from the immediate holding company	11(b)	15,660,028	6,893,880
Cash and cash equivalents		367,223	1,281,812
Total current assets		32,347,919	17,173,039
CURRENT LIABILITIES			
Trade payables		7,159,452	3,583,493
Accrual		31,830	31,900
Interest-bearing bank borrowings	9	6,978,386	–
Tax payable		–	2,224,173
Total current liabilities		14,169,668	5,839,566
Net assets		18,178,251	11,333,473
EQUITY			
Issued capital	10	77,800	77,800
Dividend		(2,000,000)	–
Accumulated profits		20,100,451	11,255,673
Total equity		18,178,251	11,333,473

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Issued capital HK$	Retained profits HK$	Total equity HK$
Issue of shares on incorporation	10	77,800	4,127,804	4,205,604
Profit and total comprehensive income for the year		–	7,127,869	7,127,869
At 31 March 2014 and at 1 April 2014		77,800	11,255,673	11,333,473
Profit and total comprehensive income for the year		–	8,844,778	8,844,778
Dividend payment		–	(2,000,000)	(2,000,000)
At 31 March 2015		77,800	18,100,451	18,178,251

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Note	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		6,620,605	8,536,369
Adjustment for finance costs	6	182,423	792,698
		6,803,028	9,330,067
Decrease/(increase) in trade and bills receivables		(7,922,797)	7,949,957
Increase in other receivables		(8,166,672)	(1,752,201)
Increase in an amount due from the immediate holding company		–	(3,997,451)
Decrease/(increase) in an amount due from a fellow subsidiary		–	1,865
Increase/(decrease) in trade payables		3,575,959	(5,100,730)
Increase/(decrease) in an accrual		(70)	1,000
Increase/(decrease) in an amount due to a fellow subsidiary		–	(7,253)
Cash generated from/(used in) operations		(5,710,552)	6,424,254
Finance costs paid		(182,423)	(792,698)
Net cash flows from/(used in) operating activities		(5,892,975)	5,631,556
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing bank borrowings		51,480,327	36,005,819
Repayment of interest-bearing bank borrowings		(44,501,941)	(40,933,557)
Dividend payment		(2,000,000)	–
Net cash flows from/(used in) financing activities		4,978,386	(4,927,738)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(914,589)	703,818
Cash and cash equivalents at beginning of year		1,281,812	577,994
CASH AND CASH EQUIVALENTS AT END OF YEAR		367,223	1,281,812
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances		367,223	1,281,812

1. CORPORATE INFORMATION

Nor India Manufacturing Company Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the Company was engaged in the trading of garments.

The Company is a wholly-owned subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. In the opinion of the directors, the Company's ultimate holding company during the year was Pearl Global Industries Limited, a company incorporated in India with shares listed on the Bombay Stock Exchange and the National Stock Exchange of India Limited.

On 13 May 2014, the share capital of Multinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, the Company's ultimate holding company subsequent to the said share capital transfer, was PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs became effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related Parties

A party is considered to be related to the Company if:

(a)the party is a person or a close member of that person's family and that person

(i)has control or joint control over the Company;

(ii)has significant influence over the Company; or

(iii)is a member of the key management personnel of the Company or of a parent of the Company;

or

(b)the party is an entity where any of the following conditions applies:

(i)the entity and the Company are members of the same group;

(ii)one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii)the entity and the Company are joint ventures of the same third party;

(iv)one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v)the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi)the entity is controlled or jointly controlled by a person identified in (a); and

(vii)a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, an amount due to a fellow subsidiary, and interest-bearing bank borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Dividends

Interim dividends are recognised directly as a liability when they are proposed and declared by the directors.

Final dividends are recognised as a liability when they are approved by the shareholders.

In prior years, final dividends proposed by the directors were classified as an allocation of retained profits within equity and presented separately in the statement of financial position. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements (note 10).

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) commission income, when the services are rendered; and

(c) interest income, on an accrual basis using the effective interest rate method.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

An analysis of other income and gains is as follows:

	2015 HK$	2014 HK$
Foreign exchange difference, net	341,863	2,055,932
Commission income	423,870	150,945
	765,733	2,206,877

4. PROFIT BEFORE TAX

The Company's profit before tax is arrived at after charging:

	2015	2014
Auditors' remuneration	31,380	31,900
Staff costs (excluding directors' remuneration (note 5)):		
Salaries and allowances	1,789,697	2,013,826
Minimum lease payments under operating leases of land and buildings	265,624	267,934

5. DIRECTORS' REMUNERATION

No directors received any fees or emoluments in respect of their services rendered to the Company during the year.

6. FINANCE COSTS

	2015 HK$	2014 HK$
Interest on bank borrowings	182,423	792,698

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

A reconciliation of the tax expense applicable to profit before tax using the Hong Kong statutory rate of 16.5% to the tax charge at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2015 HK$	%	2014 HK$	%
Profit before tax	6,620,605		8,536,369	
Tax at the statutory tax rate	1,092,400	16.5	1,408,500	16.5
Adjustment in respect of current taxof previous periods	(2,224,173)	33.6	–	–
Income not subject to tax	(1,092,400)	16.5	–	–
Tax at the effective tax rate	(2,224,173)	33.6	1,408,500	16.5

There was no unprovided deferred tax in respect of the year and as at the end of the reporting period. (2014: Nil)

8. TRADE AND BILLS RECEIVABLES

	2015 HK$	2014 HK$
Trade receivables	8,189,557	6,156,651
Bills receivables	6,978,386	1,088,495
	15,167,943	7,245,146

The Company's trading terms with its customers are mainly on credit. Trade and bills receivables are non-interest-bearing and are on terms of up to 90 days. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

The aged analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	2015	2014
Neither past due nor impaired	15,169,732	6,339,889
Past due but not impaired:		
Less than one month	(1,789)	869,088
One to three months	–	–
Over three months	–	36,169
	15,167,943	7,245,146

Receivables that were neither past due nor impaired relate to a few customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to an independent customer that has had a good track record with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of this balance as there has not been a significant change in credit quality and the balance is still considered fully recoverable.

At 31 March 2015, the Company had transferred certain bills of exchange amounting to HK$6,978,386 to banks with recourse in exchange for cash. The proceeds from transferring the bills receivable of HK$6,978,386 have been accounted for as collateralised bank advances and will be included in interest-bearing bank borrowings until the bills are collected or the Company makes good of any losses incurred by the banks (note 9).

9. INTEREST-BEARING BANK BORROWINGS

	2015	2014
Collateralised bank advances	6,978,386	–

The collateralised bank advances were denominated in British Pound Sterling, interest-bearing at 3.99% - 4.00% per annum and matured in April 2015.

Nor India Manufacturing Company Limited

10. SHARE CAPITAL

	2015	2014
	HK$	HK$
Issued and fully paid:		
10,000 ordinary shares of US$1 each	77,800	77,800

11. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

	Notes	2015 HK$	2014 HK$
Intermediate holding company:			
Management fees paid	(i)	–	389,031
Immediate holding company:			
Commissions received	(ii)	423,870	150,945
Management fees paid	(iii)	4,421,061	4,074,695
IT services fee	(iv)	14,588	16,922
Consultancy fee	(v)	193,200	184,128
Rental expense	(vi)	265,624	267,934
Fellow subsidiary:			
Commissions received	(ii)	–	84,392
Commissions paid	(vii)	–	13,036

Notes:

(i) The management fees paid for advisory services were determined based on terms mutually agreed between the Company and the intermediate holding company.

(ii) The commissions received for the referral of customers were charged at rates mutually agreed between the Company and the immediate holding company or a fellow subsidiary.

(a) (continued)

Notes: (continued)

(iii) The management fees were determined based on terms mutually agreed between the Company and the immediate holding company.

(iv) The IT services fees were related to the accounting service rendered to the Company and were charged at rates mutually agreed between the Company and the immediate holding company.

(v) The consultancy fee paid was determined based on terms mutually agreed between the Company and the immediate holding company.

(vi) The rental expense was determined based on terms mutually agreed between the Company and the immediate holding company.

(vii) The commissions paid were determined based on terms mutually agreed between the Company and a fellow subsidiary.

(b) The balances with the immediate holding company and fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

12. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Company comprise trade and bills receivables, other receivables, amounts due from the immediate holding company and a fellow subsidiary, and bank balances which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements. The financial liabilities of the Company comprise trade payables, an accrual, an amount due to a fellow subsidiary, and interest-bearing bank borrowings which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.

13. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade and bills receivables, other receivables, amounts due from the immediate holding company and a fellow subsidiary, bank balances, trade payables, an accrual, an amount due to a fellow subsidiary, and interest-bearing bank borrowings approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Company did not have any financial assets and liabilities measured at fair value as at the end of the reporting period.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to interest rate risk, foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term debt obligations with floating interest rates. The Company mitigates the risk by monitoring closely the movements in interest rates and reviewing its banking facilities regularly. The Company currently does not use any interest rate swap to hedge its exposure to interest rate risk and will continue to monitor if such need arises.

The following table demonstrates the sensitivity at 31 March 2014 to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings) and the Company's equity.

	Increase/ (decrease) in basis points %	Increase/ (decrease) in profit before tax HK$	Increase/ (decrease) in equity HK$
31 March 2015			
GBP	50	(402,234)	(402,234)
GBP	(50)	402,234	402,234

The Company did not have significant exposure to interest rate risk as at 31 March 2014.

Foreign currency risk

The Company has transactional currency exposures. Such exposures mainly arise from sales or purchases in currencies other than the functional currency of the Company. The Company manages its foreign currency risk by monitoring closely the movements in exchange rates.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the GBP exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

31 March 2015			
If HK$ weakens against GBP	10	5,922	5,922
If HK$ strengthens against GBP	(10)	(5,922)	(5,922)
31 March 2014			
If HK$ weakens against GBP	10	12,855	12,855
If HK$ strengthens against GBP	(10)	(12,855)	(12,855)

Credit risk

The carrying amounts of bank balances, other receivables and trade and bills receivables represent the Company's maximum exposure to credit risk in relation to financial assets. The Company's bank balances are deposited with creditworthy banks with no recent history of default. The Company has policies in place to evaluate credit risk when accepting new business and to limit its credit exposure to individual customers.

The maximum exposure for trade and bills receivables is the carrying amount as disclosed in note 8 to the financial statements. At the end of the reporting period, the Company had a certain level of concentration of credit risk as 80% (2014: 62%) of the Company's trade and bills receivables were due from the Company's top customer.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to its shareholder, return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2015 and the 2014.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on

22 May 2015.

Spring Near East Manufacturing Company Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is the trading of garments. There was no significant change in the nature of the Company's principle activity during the year.

Results

The Company's profit for the year ended 31 March 2015 and its state of affairs at that date are set out in the financial statements on pages 5 to 29.

Property, plant and equipment

Details of movements in the property, plant and equipment of the Company during the year are set out in note 8 to the financial statements.

Directors

The directors of the Company during the year were:

Deepak Kumar Seth

Pallak Seth

Esra Tasoren

In accordance with article 7 of the Company's articles of association, the directors will retire and, being eligible, will offer themselves for re-election.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

Shared issued

Details of movements in the Company's share capital during the year, together with the reasons therefor, are set out in note 15 to the financial statements.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Sd/-

Chairman

Hong Kong

25 May 2015

INDEPENDENT AUDITORS' REPORT

To the members of Spring Near East Manufacturing Company Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Spring Near East Manufacturing Company Limited (the "Company") set out on pages 5 to 28, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

25 May 2015

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	3	685,385,661	430,643,833
Cost of sales		(633,098,335)	(393,530,328)
Gross profit		52,287,326	37,113,505
Other income and gain	3	5,346,818	5,742,472
Selling and distribution expenses		(2,942,823)	(3,436,162)
Administrative expenses		(43,723,991)	(30,998,314)
Other operating expenses		(1,458,580)	(936,590)
Finance costs	5	(1,247,390)	(813,739)
PROFIT/(LOSS) BEFORE TAX	4	8,261,360	6,671,172
Income tax expense	7	(1,156,710)	–
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		7,104,650	6,671,172

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,700,389	2,351,629
Deposits	9	149,493	149,493
Total non-current assets		3,849,882	2,501,122
CURRENT ASSETS			
Trade and bills receivables	10	83,651,306	56,876,685
Prepayments, deposits and other receivable	9	2,158,373	670,812
Due from immediate holding company	17(b)	162,963	–
Due from a fellow subsidiary	17(b)	4,006,117	2,542,504
Due from non-controlling shareholders	17(b)	544,600	–
Pledged deposit	11	–	19,686,479
Cash and cash equivalents	11	7,508,531	4,125,244
Total current assets		98,031,890	83,901,724

CURRENT LIABILITIES			
Trade and bills payables	12	82,471,555	68,781,714
Other payables and accruals	13	1,332,427	134,042
Due to the immediate holding company	17(b)	–	4,088,796
Due to fellow subsidiaries	17(b)	5,628,204	5,694,050
Interest-bearing bank borrowings	14	3,377,006	8,371,224
Tax Payable		1,156,710	–
Total current liabilities		93,965,902	87,069,826
NET CURRENT LIABILITIES		4,065,988	(3,168,102)
Net liabilities		7,915,870	(666,980)
EQUITY			
Issued capital	15	1,556,000	77,800
Accumulated losses		6,359,870	(744,780)
Net deficiency in assets		7,915,870	(666,980)

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Issued capital HK$	Accumulated losses HK$	Net deficiency in assets HK$
At 1 April 2013	77,800	(7,415,952)	(7,338,152)
Profit and total comprehensive income for the year	–	6,671,172	6,671,172
At 31 March 2014 and at 1 April 2014	77,800	(744,780)	(666,980)
Profit and total comprehensive income for the year	1,478,200	7,104,650	8,582,850
At 31 March 2015	1,556,000	6,359,870	7,915,870

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		8,261,360	6,671,172
Adjustments for:			
Interest income	3	(19)	(167)
Depreciation	4	1,458,580	936,590
Loss on disposal of items of property, plant and equipment	4	–	–
Finance costs		1,247,390	813,739
		10,967,311	8,421,334
Decrease/(increase) in trade and bills receivables		(26,774,621)	25,224,127
Increase in deposits and other receivables		(1,487,561)	(566,543)
Increase in an amount due from a fellow subsidiary		(1,463,613)	(2,525,007)
Increase in an amount due from immediate holding company		(162,963)	–
Increase in an amount due from non-controlling interest		(544,600)	–
Increase in trade and bills payables		13,689,841	4,178,803
Increase/(decrease) in other payables and accruals		1,198,385	(474,015)
Decrease in an amount due to an intermediate holding company		–	(731,655)
Decrease in an amount due to the immediate holding company		(4,088,796)	(19,940,866)
Increase/(decrease) in amounts due to fellow subsidiaries		(65,846)	4,701,852
Cash generated from/(used in) operations		(8,732,463)	18,288,030
Interest received		19	167
Interest paid		(1,247,390)	(813,739)
Net cash flows from/(used in) operating activities		(9,979,834)	17,474,458
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease/(increase) in a pledged deposit		19,686,479	(19,686,479)
Purchases of items of property, plant and equipment		(2,807,340)	(784,592)
Net cash flows from/(used in) investing activities		16,879,139	(20,471,071)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,478,200	–
Proceeds/(repayment) of bank loans		(4,994,218)	5,739,432
Net cash flows from/(used in) financing activities		(3,516,018)	5,739,432
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,383,287	2,742,819
Cash and cash equivalents at beginning of year		4,125,244	1,382,425
CASH AND CASH EQUIVALENTS AT END OF YEAR		7,508,531	4,125,244
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances		7,508,531	4,125,244

1. CORPORATE INFORMATION

Spring Near East Manufacturing Company Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the Company was engaged in the trading of garments.

The Company is a wholly-owned subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. In the opinion of the directors, the Company's ultimate holding company is Pearl Global Industries Limited, a company incorporated in India with shares listed on the Bombay Stock Exchange and the National Stock Exchange of India Limited.

On 10 March 2014, the High Court of Delhi sanctioned a Scheme of Arrangement between Pearl Global Industries Limited (the "Transferor Company") and PDS Multinational Fashions Limited (the "Transferee Company"), a company incorporated in India with shares planned to be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Subsequent to the reporting period and consequent to the filing of the same Scheme of Arrangement with the Registrar of Companies in India on 13 May 2014, the share capital of Multinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from the Transferor Company to the Transferee Company which became the Company's new ultimate holding company.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

These financial statements have been prepared on the going concern basis, notwithstanding that the Company had net current liabilities and net liabilities at the end of the reporting period, as the Company's immediate holding company has agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs are effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

Spring Near East Manufacturing Company Limited

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	25%
Office equipment	33.1/3%
Computer equipment	33.1/3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks, including term deposits, which are not restricted as to use.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Company is the lessee, rentals payable under the operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, an amount due to an intermediate holding company, an amount due to the immediate holding company, amounts due to fellow subsidiaries and interest-bearing bank borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) commission income, in the period in which the sales services are rendered; and

(c) interest income, on an accrual basis using the effective interest method.

Employee benefits

Retirement benefit costs

The Company operates a mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.6 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The Company measures foreign currency transactions in the functional currency. The functional currency of the Company is determined based on management's assessment of the primary economic environment in which the Company operates. When the indicators are mixed and the functional currency is not obvious, management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

3. REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

An analysis of other income and gain is as follows:

	2015 HK$	2014 HK$
Bank interest income	19	167
Commission income	–	1,252,461
Foreign exchange difference, net	580,043	3,550,576
Others	4,766,756	939,268
	5,346,818	5,742,472

4. PROFIT/(LOSS) BEFORE TAX

The Company's profit/(loss) before tax is arrived at after charging/(crediting):

	2015	2014
Auditors' remuneration	30,900	30,900
Depreciation	1,458,580	936,590
Staff costs (excluding directors' remuneration (note 6)):		
Salaries and allowances	14,339,676	11,147,019
Pension scheme contributions (defined contribution schemes)	5,048,604	3,792,387
	19,388,280	14,939,406
Minimum lease payments under operating leases of land and buildings	1,939,610	1,596,351
Loss on disposal of items of property, plant and equipment	–	–
Foreign exchange difference, net	(580,043)	(3,550,576)

5. FINANCE COSTS

	2015	2014
Interest on overdrafts	1,256,282	588,372
Bank charges arising from letters of credit	(8,892)	225,367
	1,247,390	813,739

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance is as follows:

	2015 HK$	2014 HK$
Fees	–	–
Salaries, allowances and benefits in kind	1,693,842	228,234
Pension scheme contribution	–	9,561
	1,693,842	247,795

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax was made for the prior year as the Company had available tax losses brought forward from prior years to offset the assessable profits generated during that year.

A reconciliation of the tax charge applicable to profit before tax using the Hong Kong statutory rate of 16.5% (2013: 16.5%) to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2015 HK$	2015 %	2014 HK$	2014 %
Profit/(loss) before tax	8,261,360		6,671,172	
Tax at the statutory tax rate	1,363,124	16.5	1,100,743	16.5
Expense not deductible for tax	63	–	2,105	–
Tax losses utilised from prior years	(225,984)	2.7	(1,122,744)	(16.8)
Tax losses not recognised	–	–	–	–
Temporary differences not recognised	19,507	0.2	19,896	0.3
Tax at the effective tax rate	**1,156,710**	**14.0**	**–**	**–**

As at 31 March 2015, the Company did not recognise any deferred tax assets in respect of deductible temporary differences as the directors consider it uncertain that they will be utilised. As at 31 March 2014, deferred tax assets in respect of unused tax losses were only recognised to the extent to offset the deferred tax liabilities associated with chargeable temporary differences as the directors then considered the availability of future taxable profits for the utilisation of all unused tax losses were unpredictable. The deferred tax assets not recognised are analysed as follows:

	2015 HK$	2014 HK$
Unused tax losses	–	225,984
Depreciation allowances in excess of depreciation	–	(137,232)
	–	88,752

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK$	Office equipment HK$	Computer equipment HK$	Motor Vehicle HK$	Leasehold Improvement HK$	Total HK$
31 March 2015						
At 31 March 2014 and at 1 April 2014:						
Cost	2,002,460	1,335,299	418,892	–	–	3,756,651
Accumulated depreciation	(564,562)	(764,087)	(76,373)	–	–	(1,405,022)
Net carrying amount	1,437,898	571,212	342,519	–	–	2,351,629
At 1 April 2014, net of accumulated depreciation	1,437,898	571,212	342,519	–	–	2,351,629
Additions	109,931	183,650	105,155	1,195,008	1,213,596	2,807,340
Depreciation provided during the year	(522,788)	(342,241)	(158,896)	(199,148)	(235,507)	(1,458,580)
At 31 March 2015, net of accumulated depreciation	1,025,041	412,621	288,778	995,860	978,089	3,700,389
At 31 March 2015						
Cost	2,112,391	1,518,949	524,047	1,195,008	1,213,596	6,563,991
Accumulated depreciation	(1,087,350)	(1,106,328)	(235,269)	(199,148)	(235,507)	(2,863,602)
Net carrying amount	1,025,041	412,621	288,778	995,860	978,089	3,700,389

31 March 2014

	Furniture and fixtures HK$	Office equipment HK$	Computer equipment HK$	Total HK$
At 31 March 2013 and at 1 April 2013:				
Cost	1,931,986	920,544	119,529	2,972,059
Accumulated depreciation	(67,671)	(388,239)	(12,522)	(468,432)
Net carrying amount	1,864,315	532,305	107,007	2,503,627
At 1 April 2013, net of accumulated depreciation	1,864,315	532,305	107,007	2,503,627
Additions	70,474	414,755	299,363	784,592
Depreciation provided during the year	(496,891)	(375,848)	(63,851)	(936,590)
At 31 March 2014, net of accumulated depreciation	1,437,898	571,212	342,519	2,351,629
At 31 March 2014				
Cost	2,002,460	1,335,299	418,892	3,756,651
Accumulated depreciation	(564,562)	(764,087)	(76,373)	(1,405,022)
Net carrying amount	1,437,898	571,212	342,519	2,351,629

Spring Near East Manufacturing Company Limited

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLE

	2015 HK$	2014 HK$
Prepayments	1,030,768	428,760
Deposits	179,910	151,447
Other receivables	1,097,188	240,098
	2,307,866	820,305
Less: Portion classified as non-current assets	(149,493)	(149,493)
	2,158,373	670,812

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

10. TRADE AND BILLS RECEIVABLES

	2015 HK$	2014 HK$
Trade receivables	83,651,306	56,443,270
Bill receivables	–	433,415
	83,651,306	56,876,685

The Company's trading terms with its customers are mainly on credit. The credit period is generally 30 days, extending up to 90 days for major customers. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

The aged analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	2015 HK$	2014 HK$
Neither past due nor impaired	65,012,020	48,340,353
Past due but not impaired		
Less than one month	17,432,489	8,534,360
One month to three months	1,206,797	–
Over three months	–	1,972
	83,651,306	56,876,685

Receivables that were neither past due nor impaired relate to a few customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to an independent customer that has had a good track record with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

11. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSIT

	2015 HK$	2014 HK$
Cash and bank balances	7,508,531	4,125,244
Time deposit	–	19,686,479
	7,508,531	23,811,723
Less: Pledged time deposit:		
Pledged for bank borrowings (note 14) –		(19,686,479)
Cash and cash equivalents	7,508,531	4,125,244

12. TRADE AND BILLS PAYABLE

	2015 HK$	2014 HK$
Trade payables	81,819,476	64,856,291
Bills payables	652,079	3,925,423
	82,471,555	68,781,714

Trade payable balances are non-interest-bearing and are normally due for settlement within 30 to 75 days.

13. OTHER PAYABLES AND ACCRUALS

	2015 HK$	2014 HK$
Other payables	913,244	38,027
Accrued employee benefits	388,283	65,115
Accruals	30,900	30,900
	1,332,427	134,042

14. INTEREST-BEARING BANK BORROWINGS

Company	2015			2014		
Trust receipt loans	LIBOR+2%	2015	920,767	Cost of funding +2.25%	June 2014	8,371,224
Factoring	[]	2015	2,456,239	–	–	–
			3,377,006			8,371,224

The trust receipt loan and factoring are denominated in British Pound Sterling ("GBP"). The Company's banking facilities are pledged by guarantees of the ultimate holding company.

15. SHARE CAPITAL

	2015 HK$	2014 HK$
Issued and fully paid:		
200,000 (2014: 10,000) ordinary shares of US$1 each	1,556,000	77,800

16. OPERATING LEASE ARRANGEMENT

The Company leases its office premises under operating lease arrangements. Leases for the properties are negotiated for terms ranging from four to five years.

At the end of the reporting period, the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015 HK$	2014 HK$
Within one year	1,593,465	1,788,077
In the second to fifth years, inclusive	3,316,271	4,836,531
	4,909,736	6,624,608

17. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

	Notes	2015 HK$	2014 HK$
Intermediate holding company:			
Management fees paid	(i)	–	1,188,473
Immediate holding company:			
Operating expenses recharged, net	(v)	882,218	41,234
Fellow subsidiaries:			
Management fees paid	(i)	687,145	925,594
Commissions received	(ii)	–	1,252,461
Designing expense paid	(iii)	543,316	609,428
Commission paid	(iv)	–	12,110
Support services paid	(v)	3,930,870	2,090,591
Operating expense recharged, net		3,053,074	–

Notes:

(i) The management fees paid were determined based on terms mutually agreed between the Company and the respective related parties.

(ii) The commissions received were related to referrals of customers and were charged at rates mutually agreed between the Company and the respective fellow subsidiaries.

(iii) The designing expense paid was based on terms mutually agreed by the Company and a fellow subsidiary.

(iv) The commission paid was charged based on terms mutually agreed between the Company and a fellow subsidiary.

(v) The support services paid were charged based on terms mutually agreed by the Company and the respective related parties.

(b) Outstanding balances with related parties:

The balances with an intermediate holding company, the immediate holding company and fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

18. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade and bills receivables, deposits and other receivables, an amount due from a fellow subsidiary, pledged time deposits, bank balances, trade and bills payables, financial liabilities included in other payables and accruals, amounts due to an intermediate holding company, the immediate holding company and fellow subsidiaries, and interest-bearing bank borrowing approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Company did not have any financial assets and liabilities measured at fair value as at the end of the reporting period.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Foreign currency risk

The Company has transactional currency exposures. Such exposures mainly arise from sales or purchases in currencies (mainly GBP) other than the functional currency of the Company. The Company manages its foreign currency risk by monitoring closely the movements in exchange rates.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the GBP exchange rate, with all other variables held constant, of the Company's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in the exchange rate %	Decrease/ (increase) in profit before tax HK$
31 March 2015		
If HK$ weakens against GBP	10	24,413,279
If HK$ strengthens against GBP	(10)	(24,413,279)

	Change in the exchange rate %	Increase/ (decrease) in loss before tax HK$
31 March 2014		
If HK$ weakens against GBP	10	20,397,814
If HK$ strengthens against GBP	(10)	(20,397,814)

Credit risk

The aggregate carrying amount of bank balances, pledged time deposits, trade and bills receivables, an amount due from a fellow subsidiary, and deposits and other receivables represent the Company's maximum exposure to credit risk in relation to financial assets. The Company's bank balances and pledged time deposits are deposited with creditworthy banks with no recent history of default. The Company has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The maximum exposure for trade and bills receivables is the carrying amount as disclosed in note 10 to the financial statements. At the end of the reporting period, the Company had a certain concentration of credit risk as 58% (31 March 2014: 68%) of the Company's trade and bills receivables were due from the Company's top customer.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from its group companies.

The Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2015 and 31 March 2014.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on

25 May 2015.

Sino West Manufacturing Company Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The principal activity of the Company during the year was the trading of footwear. There were no significant changes in the nature of the Company's principal activities during the year.

Change of company name

Pursuant to a resolution of the sole shareholder passed on 18 November 2014, the name of the Company was changed from Sino West Manufacturing Company Limited to Techno Manufacturing Limited. The change of name was effective on the same date.

Results

The Company's loss for the year ended 31 March 2015 and its state of affairs as at that date are set out in the financial statements on pages 5 to 28.

Property, plant and equipment

Details of movements in the Company's property, plant and equipment during the year are set out in note 10 to the financial statements.

Directors

The directors of the Company during the year were:

Deepak Kumar Seth

Pallak Seth

Payel Seth

Keith Thornton Lesbirel (resigned on 1 April 2014)

There being no provision in the Company's articles of association for the retirement of the directors who will continue in office for the ensuing year.

Directors' interests

At no time during the year was rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

The directors had no material interest, either directly or indirectly, in any contract of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Sd/-

Name of Chairman]

Hong Kong

Date]

INDEPENDENT AUDITORS' REPORT

To the member of Techno Manufacturing Limited

(Formerly known as Sino West Manufacturing Company Limited)

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Techno Manufacturing Limited (formerly known as Sino West Manufacturing Company Limited) (the "Company") set out on pages 5 to 28, which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Director's responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the sole director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

[Date]

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	5	5,183,584	20,632,945
Cost of sales		(4,662,294)	(18,791,686)
Gross profit		521,290	1,841,259
Other income	5	15,944	267
Administrative expenses		(1,120,278)	(6,636,839)
Selling and distribution costs		(396,038)	(316,641)
Other operating expenses		(605,349)	(372,568)
Finance costs	7	(2,789)	(34,915)
LOSS BEFORE TAX	6	(1,587,220)	(5,519,437)
Income tax credit	9	62,111	41,803
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,525,109)	(5,477,634)

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	10	–	600,925
CURRENT ASSETS			
Trade receivables	11	3,435,753	4,251,727
Prepayments, deposits and other receivables	12	–	740,645
Cash and cash equivalents		79,335	326,879
Total current assets		3,515,088	5,319,251
CURRENT LIABILITIES			
Trade payables		–	2,572,219
Other payables and accruals	13	16,620,382	14,866,031
Total current liabilities		16,620,382	17,438,250
NET CURRENT LIABILITIES		(13,105,294)	(12,118,999)
TOTAL ASSETS LESS CURRENT LIABILITIES		(13,105,294)	(11,518,074)

	Notes	2015	2014
NON-CURRENT LIABILITIES			
Deferred tax liabilities	14	–	62,111
Net liabilities		(13,105,294)	(11,580,185)
EQUITY			
Share capital	15	77,800	77,800
Accumulated losses		(13,183,094)	(11,657,985)
Net deficiency in assets		(13,105,294)	(11,580,185)

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Share capital HK$	Accumulated losses HK$	Net deficiency in assets HK$
At 1 April 2013	77,800	(6,180,351)	(6,102,551)
Loss and total comprehensive loss for the year	–	(5,477,634)	(5,477,634)
At 31 March 2014 and 1 April 2014	77,800	(11,657,985)	(11,580,185)
Loss and total comprehensive loss for the year	–	(1,525,109)	(1,525,109)
At 31 March 2015	77,800	(13,183,094)	(13,105,294)

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(1,587,220)	(5,519,437)
Adjustments for:			
Interest income	5	(1)	(267)
Depreciation	6	315,958	315,460
Finance costs	7	2,789	34,915
Loss on disposal of items of property, plant and equipment	6	284,967	–
		(983,507)	(5,169,329)
Decrease/(increase) in trade receivables		815,974	(3,197,988)
Decrease/(increase) in prepayments, deposits and other receivables		740,645	(249,514)
Increase/(decrease) in trade payables		(2,572,219)	1,999,964
Increase in other payables and accruals		1,754,351	7,248,141
Cash generated from/(used in) operations		(244,756)	631,274
Interest received		1	267
Interest paid		(2,789)	(34,915)
Net cash flows from/(used in) operating activities		(247,544)	596,626
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	10	–	(5,980)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		–	(370,859)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(247,544)	219,787
Cash and cash equivalents at beginning of year		326,879	107,092
CASH AND CASH EQUIVALENTS AT END OF YEAR		79,335	326,879

ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	79,335	326,879

1. CORPORATE INFORMATION

Techno Manufacturing Limited (formerly known as Sino West Manufacturing Company Limited) is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

Pursuant to a special resolution on 18 November 2014, the name of the Company was changed from Sino West Manufacturing Company Limited to Techno Manufacturing Limited. The change of name was effective on the same date.

During the year, the Company was engaged in the trading of footwear.

The Company is a subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. On 13 May 2014, the share capital of Multinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, the Company's ultimate holding company subsequent to the said share capital transfer, was PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

These financial statements have been prepared on the going concern basis, notwithstanding that the Company had net current liabilities and net liabilities at the end of the reporting period, as the Company's immediate holding company has agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs are effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.1 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the year in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the year in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Office equipment	25% - 33.1/3%
Computer equipment	25% - 33.1/3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant including equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks, including term deposits, which are not restricted as to use.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables and other payables and accruals.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) interest income, on an accrual basis using the effective interest method.

Employee benefits

Retirement benefit costs

The Company operates a mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Company which are based in Mainland China and the United Kingdom are required to participate in central pension schemes operated by the respective local governments. The Company is required to contribute certain percentages of its payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements.

(a) Income taxes

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Company carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

(b) Determination of functional currency

In determining the functional currencies of the Company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the Company is determined based on management's assessment of the economic environment in which the Company operate and the Company's process of determining sales prices. Management has assessed that prices are mainly denominated and settled in HK$ and therefore, management concluded that the functional currency of the Company is HK$.

Sino West Manufacturing Company Limited

5. REVENUE AND OTHER INCOME

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

An analysis of other income is as follows:

	2015 HK$	2014 HK$
Bank interest income	1	267
Penalty received from a supplier	15,943	–
	15,944	267

6. LOSS BEFORE TAX

The Company's loss before tax is arrived at after charging:

Cost of inventories sold	4,662,294	18,791,686
Auditors' remuneration	31,900	31,900
Depreciation	315,958	315,460
Staff costs (excluding the directors' remuneration (note 8)):		
Salaries, allowances and welfares	129,559	1,535,228
Pension scheme contributions (defined contribution scheme)	7,766	156,698
	137,325	1,691,926
Minimum lease payments under operating leases of office premises	118,249	571,026
Foreign exchange differences, net	4,424	57,108
Loss on disposal of property, plant and equipment	284,967	–

7. FINANCE COSTS

Interest on overdrafts and bills payables	2,789	31,378
Bank charges arising from letters of credit	–	3,537
	2,789	34,915

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance is as follows:

Fees	–	–
Salaries, allowances and benefits in kind	–	203,992
Pension scheme contribution	–	21,874
	–	225,866

9. INCOME TAX

No provision for Hong Kong profits tax has been made for the year as the Company did not generate any assessable profits in Hong Kong during the year (2014: Nil).

Charge for the year	–	–
Deferred tax (note 14)	(62,111)	(41,803)
Tax credit for the year	(62,111)	(41,803)

A reconciliation of the tax credit applicable to loss before tax using the Hong Kong statutory rate of 16.5% (2014: 16.5%) to the tax charge at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2015 HK$	2015 %	2014 HK$	2014 %
Loss before tax	(1,587,220)		(5,519,437)	
Tax credit at the statutory tax rate	(261,891)	16.5	(910,707)	16.5
Tax loss not recognised	199,780	(12.6)	868,904	(15.7)
Tax credit at the effective tax rate	(62,111)	3.9	(41,803)	0.8

As at 31 March 2015, the Company had unused tax losses of HK$13,416,460 (2014: HK$11,920,701) which arose in Hong Kong and but the Company did not recognise any corresponding deferred tax assets as the directors consider it uncertain that there will be available taxable profits to utilise the unused tax losses.

10. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HK$	Computer equipment HK$	Total HK$
31 March 2015			
At 31 March 2014 and at 1 April 2014:			
Cost	876,939	71,030	947,969
Accumulated depreciation	(316,641)	(30,403)	(347,044)
Net carrying amount	560,298	40,627	600,925
At 1 April 2014, net of accumulated depreciation	560,298	40,627	600,925
Disposals	(268,014)	(16,953)	(284,967)
Depreciation provided during the year	(292,284)	(23,674)	(315,958)
At 31 March 2015, net of accumulated depreciation	–	–	–
At 31 March 2015:			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net carrying amount	–	–	–
At 1 April 2013:			
Cost	876,939	65,050	941,989
Accumulated depreciation	(24,357)	(7,227)	(31,584)
Net carrying amount	852,582	57,823	910,405
At 1 April 2013, net of accumulated depreciation	852,582	57,823	910,405
Additions	–	5,980	5,980
Depreciation provided during the year	(292,284)	(23,176)	(315,460)
At 31 March 2014, net of accumulated depreciation	560,298	40,627	600,925
At 31 March 2014:			
Cost	876,939	71,030	947,969
Accumulated depreciation	(316,641)	(30,403)	(347,044)
Net carrying amount	560,298	40,627	600,925

11. TRADE RECEIVABLES

The Company's trading terms with its customers are mainly on credit. The credit period is generally one month. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The aged analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2015 HK$	2014 HK$
Neither past due nor impaired	3,435,753	1,701,049
Past due but not impaired:		
Less than one month	-	931,436
One to three months	-	1,619,242
	3,435,753	4,251,727

Receivables that were neither past due nor impaired relate to a few customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to independent customers that have a good track record with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 HK$	2014 HK$
Prepayments	-	654,365
Deposits	-	70,720
Due from non-controlling shareholders	–	15,560
	-	740,645

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

13. OTHER PAYABLES AND ACCRUALS

Accrual	31,900	31,900
Other payables	290,536	92,857
Due to fellow subsidiaries	4,229,137	418,396
Due to the immediate holding company	12,068,809	14,322,878
	16,620,382	14,866,031

14. DEFERRED TAX LIABILITIES

	Depreciation allowance in excess of related depreciation HK$
At 1 April 2013	103,914
Deferred tax credited to profit or loss during the year (note 9)	(41,803)
At 31 March 2014 and 1 April 2014	62,111
Deferred tax credited to profit or loss during the year (note 9(62,111)	
At 31 March 2015	–

15. SHARE CAPITAL

	2015 HK$	2014 HK$
Issued and fully paid:		
10,000 (2014: 10,000) ordinary shares	77,800	77,800

16. OPERATING LEASE COMMITMENTS

The Company leased its office premise under an operating lease arrangement with the lease for the property negotiated for a term of two years.

At 31 March 2015, the Company had total future minimum lease payments under the non-cancellable operating lease failing due as follows:

Within one year	–	97,486

17. NOTE TO THE STATEMENT OF CASH FLOWS

On 1 April 2014, the non-controlling shareholders transferred 2,000 shares of US$2,000 to the immediate holding company. The consideration of HK$15,560 were settled through and credited to amounts due from the non-controlling shareholders.

18. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following transactions with related parties on mutually agreed terms and conditions between the relevant parties during the year:

	2015 HK$	2014 HK$
Fellow subsidiaries:		
Commission fee paid	392,280	–
Operating expense recharged, net(390,274)	–	
Rentals paid	109,264	594,897
Consultancy fees paid	–	222,646
Service support expense paid	–	855,302
Intermediate holding company:		
Management fee paid	–	209,126
Immediate holding company:		
Operating expenses recharged, net	225,353	20,848

The balances with the immediate holding company, fellow subsidiaries and the non-controlling shareholders are unsecured, interest-free and have no fixed terms of repayment.

19. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Company comprise trade receivables, deposits and other receivables and cash and cash equivalents which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements. The financial liabilities of the Company comprise trade payables, other payables and accruals, which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.

20. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade receivables, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals approximated to their carrying amounts largely due to the short term maturities of these instruments.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Foreign currency risk

The Company has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the Company's functional currency. Approximately 100% (2014: 100%) of the Company's sales are denominated in currencies other than the functional currency of the Company.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the GBP and EUR exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in the exchange rate %	Increase/ (decrease) in profit before tax HK$
31 March 2015		
If HK$ weakens against GBP	5.0	163,079
If HK$ strengthens against GBP	(5.0)	(163,079)
If HK$ weakens against EUR	5.0	171,788
If HK$ strengthens against EUR	(5.0)	(171,788)
31 March 2014		
If HK$ weakens against GBP	5.0	2,636
If HK$ strengthens against GBP	(5.0)	(2,636)
If HK$ weakens against EUR	5.0	-
If HK$ strengthens against EUR	(5.0)	–

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Credit risk

The aggregate carrying amount of cash and cash equivalents, trade receivables, deposits, other receivables represents the Company's maximum exposure to credit risk in relation to financial assets. The Company's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Company has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The maximum exposure for trade receivables is the carrying amount as disclosed in note 11 to the financial statements. At the end of the reporting period, the Company had a certain level of concentration of credit risk as 100% (2014: 23%) of the Company's trade receivables were due from the Company's top customer.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2015 and 31 March 2014.

22. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on [date].

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is the trading of garments. There was no significant change in the nature of the Company's principle activity during the year.

Results

The Company's result for the year then ended and the state of affairs of the Company as at 31 March 2015 are set out in the financial statements on pages 4 to 26.

Property, plant and equipment

Details of movements in the Company's property, plant and equipment during the year are set out in note 9 to the financial statements.

Directors

The directors of the Company during the year were:

Pallak Seth

Spagnolo Patrick

Deepak Kumar Seth

Payel Seth

In accordance with the Company's articles of association, all remaining directors will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

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[Name of Chairman]

Hong Kong

19 May 2015

Independent auditors' report

To the members of GEM Australia Manufacturing Company Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of GEM Australia Manufacturing Company Limited (the "Company") set out on pages 4 to 26, which comprise the statement of comprehensive income as at 31 March 2015, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

19 May 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015	2014
		HK$	HK$
REVENUE	4	50,206,500	50,823,961
Cost of sales		(43,707,115)	(43,758,594)
Gross profit		6,499,385	7,065,367
Other income and gain	4	3,140,098	1,253,582
Administrative expenses		(5,992,919)	(6,249,249)
Selling and distribution cost		(4,435,857)	(6,052,723)
Other operating expenses		(330,518)	(342,888)
Finance costs	6	(155,273)	(89,495)
LOSS BEFORE TAX		(1,275,084)	(4,415,406)
Income tax credit/(expense)	8	83,616	5,426
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,191,468)	(4,409,980)

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015	2014
		HK$	HK$
NON-CURRENT ASSETS			
Property, plant and equipment	9	376,165	706,683
CURRENT ASSETS			
Trade receivables	10	11,852,060	7,889,225
Prepayments		848,752	273,726
Due from the non-controlling shareholder	15	–	–
Cash and cash equivalents		1,008,255	425,432
Total current assets		13,709,067	8,588,383
CURRENT LIABILITIES			
Trade payables		3,593,693	2,391,382
Other payables and accruals	11	25,023,903	1,135,183
Due to the immediate holding company	15(b)	–	18,426,482
Due to the ultimate holding company	15(b)	–	3,890

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Due to fellow subsidiaries	15(b)	–	595,409
Total current liabilities		28,617,596	22,552,346
NET CURRENT LIABILITIES		(14,908,529)	(13,963,963)
TOTAL ASSETS LESS CURRENT LIABILITIES		(14,532,364)	(13,257,280)
NON-CURRENT LIABILITIES			
Deferred tax liabilities	12	31,574	115,190
Net liabilities		(14,563,938)	(13,372,470)
EQUITY			
Share capital	13	778,000	778,000
Reserves		(15,341,938)	(14,150,470)
Total equity		(14,563,938)	(13,372,470)

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[Name of Director] [Name of Director]

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Issued capital HK$	Accumulated losses HK$	Total equity HK$
At 1 April 2013	13	778,000	(9,740,490)	(8,962,490)
Loss and total comprehensive loss for the year		–	(4,409,980)	(4,409,980)
At 31 March 2014 and 1 April 2014		778,000	(14,150,470)	(13,372,470)
Loss and total comprehensive loss for the year		–	(1,191,468)	(1,191,468)
At 31 March 2015		778,000	(15,341,938)	(14,563,938)

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(1,275,084)	(4,415,406)
Adjustments for:			
Interest income	4	–	(11)
Depreciation	5	330,518	329,141
Finance costs	6	155,273	89,495
		(789,293)	(3,996,781)
(Increase)/decrease in trade receivables		(3,962,835)	1,652,638
(Increase)/decrease in prepayments		(575,026)	315,770
Increase in trade payables		1,202,311	977,023
Increase/(decrease) in other payables and accruals		4,862,939	(276,256)
Increase in an amount due to the immediate holding company		–	2,049,862
Decrease in an amount due to the ultimate holding company		–	(38,122)
Decrease in amounts due to fellow subsidiaries		–	(1,099,336)
Cash generated from/(used in) operations		738,096	(415,202)
Interest received		–	11
Interest paid		(155,273)	(89,495)
Net cash flows from/(used in) operating activities		582,823	(504,686)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	9	–	(26,764)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		582,823	(531,450)
Cash and cash equivalents at the beginning of year		425,432	956,882
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,008,255	425,432

1. CORPORATE INFORMATION

GEM Australia Manufacturing Company Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the Company was engaged in the trading of garments.

The Company is a subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. On 13 May 2014, the share capital of Multinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, the Company's ultimate holding company subsequent to the said share capital transfer, was PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

These financial statements have been prepared on the going concern basis, notwithstanding that the Company had net current liabilities and net liabilities at the end of the reporting period, as the Company's immediate holding company has agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs are effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	25%
Office equipment	25% - 33.1/3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant including equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and cash at banks, including term deposits, which are not restricted as to use.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is

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a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, other payables and accruals, amounts due to the immediate holding company, the ultimate holding company and fellow subsidiaries.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) commission income, in the period in which the sales services are rendered; and

(c) interest income, on an accrual basis using the effective interest method.

Employee benefits

Retirement benefit costs

The Group operates a mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Company which are based in Australia are required to participate in superannuation schemes operated by the respective local governments. The Company is required to contribute certain percentages of its payroll costs to the central pension schemes. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the superannuation schemes.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4. REVENUE AND OTHER INCOME

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

An analysis of other income and gain is as follows:

	2015	2014
	HK$	HK$
Bank interest income	–	11
Commission income	2,473,295	78,344
Foreign exchange difference, net	75,375	869,039
Others	591,428	306,190
	3,140,098	1,253,584

5. LOSS BEFORE TAX

The Company's loss before tax is arrived at after charging/(crediting):

	2015	2014
	HK$	HK$
Cost of inventories sold	43,707,115	43,758,594
Auditors' remuneration	31,900	31,900
Depreciation	330,518	329,141
Staff costs (excluding directors' remuneration (note 7):		
Salaries and allowances	1,663,767	3,594,940
Pension scheme contributions (defined contribution scheme)	–	342,904
	1,663,767	3,937,844
Minimum lease payments under operating leases of land and buildings	754,957	576,904
Foreign exchange differences, net	(75,375)	(869,039)

6. FINANCE COSTS

	2015	2014
	HK$	HK$
Bank charges arising from letters of credit	8,732	10,978
Bank charges arising from overdrafts	146,541	78,517
	155,273	89,495

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance is as follows:

	2015	2014
	HK$	HK$
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	[]	403,291
Pension scheme contributions	[]	52,027
	[]	455,318

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2015	2014
	HK$	HK$
Charge for the year	–	–
Deferred (note 12)	(83,616)	(5,426)
Tax charge/(credit) for the year	(83,616)	(5,426)

A reconciliation of the tax credit applicable to loss before tax using the Hong Kong statutory rate of 16.5% (2014: 16.5%) to the tax charge at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2015		2014	
	HK$	%	HK$	%
Loss before tax	(1,275,084)		(4,415,406)	
Tax credit at the statutory tax rate	(210,389)	16.5	(728,377)	16.5
Expenses not deductible for tax	299,197	(23.5)	156,345	(3.5)
Tax loss not recognised	(172,424)	13.5	566,606	(12.9)
Tax charge/(credit) at the effective tax rate	(83,616)	6.5	(5,426)	0.1

As at 31 March 2015, the Company had unused tax losses of HK$11,934,195 (2014: HK$13,208,313) which arose in Hong Kong and but the Company did not recognise any corresponding deferred tax assets as the directors consider it uncertain that there will be available taxable profits to utilise the unused tax losses.

9. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Office equipment	Total
31 March 2015			
At 31 March 2014 and at 1 April 2014:			
Cost	590,766	619,567	1,210,333
Accumulated depreciation	(233,791)	(269,859)	(503,650)
Net carrying amount	356,975	349,708	706,683
At 1 April 2014, net of accumulated depreciation	356,975	349,708	706,683
Additions	–	–	–
Depreciation provided during the year	(146,923)	(183,595)	(330,518)
At 31 March 2015, net of accumulated depreciation	210,052	166,113	376,165
At 31 March 2015:			
Cost	590,766	619,567	1,210,333
Accumulated depreciation	(380,714)	(453,454)	(834,168)
Net carrying amount	210,052	166,113	376,165
31 March 2014			
At 1 April 2013, net of accumulated depreciation	495,623	513,437	1,009,060
Additions	7,945	18,819	26,764
Depreciation provided during the year	(146,593)	(182,548)	(329,141)
At 31 March 2014, net of accumulated depreciation	356,975	349,708	706,683
At 31 March 2014:			
Cost	590,766	619,567	1,210,333
Accumulated depreciation	(233,791)	(269,859)	(503,650)
Net carrying amount	356,975	349,708	706,683

GEM Australia Manufacturing Company Limited

10. TRADE AND BILL RECEIVABLES

The Company's trading terms with its customers are mainly on credit. The credit period is generally one month. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The aged analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2015	2014
	HK$	HK$
Neither past due nor impaired	5,272,088	4,395,914
Past due but not impaired - less than one month	6,579,972	3,493,311
	11,852,060	7,889,225

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to customers that have had a good track record with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

11. OTHER PAYABLES

	2015	2014
	HK$	HK$
Accrued employee benefits	13,534	71,554
Other payables	25,010,369	1,063,629
	25,023,903	1,135,183

12. DEFERRED TAX LIABILITIES

	Depreciation allowance in excess of related depreciation
	HK$
At 1 April 2013	120,616
Deferred tax charged to the profit or loss during the year	(5,426)
At 31 March 2014 and at 1 April 2014	115,190
Deferred tax credited to the profit or loss during the year (note 8)	(83,616)
At 31 March 2015	31,574

13. SHARE CAPITAL

	2015	2014
	HK$	HK$
Issued and fully paid:		
100,000 ordinary shares of US$1 each	778,000	778,000

14. NOTE TO THE STATEMENT OF CASH FLOWS

Major non-cash transactions

On 6 June 2012 (date of incorporation), the Company issued 100,000 ordinary shares of US$1 each at par, of which 75,000 shares were issued to the immediate holding company and 25,000 shares were issued to the non-controlling shareholder. The corresponding considerations of HK$583,500 and HK$194,500 were settled through and debited to an amount due to the immediate holding company and an amount due from the non-controlling shareholder, respectively.

During the year ended 31 March 2014, the immediate holding company acquired all of the equity interest in the Company then held by a non-controlling shareholder for a consideration of HK$194,500, which was settled through a transfer of the same amount from an amount due from the non-controlling shareholder to an amount due from the immediate holding company as mutually agreed between the involved parties.

15. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Company had the following material transactions with the immediate holding company and fellow subsidiaries during the year:

	Notes	2015	2014
		HK$	HK$
Ultimate holding company:			
SAP expenses	(i)	3,307	3,890
Immediate holding company:			
Bank interests paid	(ii)	–	57,523
Bank charges paid	(iii)	–	26,886
Sourcing commissions paid	(iv)	1,069,945	1,855,362
Funds		900,720	–
Fellow subsidiaries:			
Purchases of goods	(v)	834,111	–
Management fees paid	(vi)	245,194	769,793
Commissions paid	(vii)	–	9,885
Consulting Fee	(viii)	–	184,269

Notes:

(i) The SAP expenses were charged at terms mutually agreed between the Company and the ultimate holding company.

(ii) The bank interests paid were charged at rates mutually agreed between the Company and the immediate holding company.

(iii) The bank charges paid were charged at rates mutually agreed between the Company and the immediate holding company.

(iv) The sourcing commissions paid were charged at terms mutually agreed between the Company and the immediate holding company.

(v) The purchases of goods were made according to the prices and terms mutually agreed between the Company and the respective fellow subsidiaries.

(vi) The management fees were charged at terms mutually agreed between the Company and the respective fellow subsidiaries.

(vii) The commissions paid were charged at terms mutually agreed between the Company and the respective fellow subsidiaries.

(viii) The consulting fee was charged at terms mutually agreed between the Company and the respective fellow subsidiaries.

(b) Outstanding balances with related parties:

The balances with the immediate holding company, the ultimate holding company, fellow subsidiaries and the non-controlling shareholder are unsecured, interest-free and have no fixed terms of repayment.

16. OPERATING LEASE COMMITMENTS

The Company leases its office premise under an operating lease arrangement with the lease for the property negotiated for a term of three years.

At 31 March 2015, the Company had total future minimum lease payments under non-cancellable operating lease falling due as follows:

	2015	2014
	HK$	HK$
Within one year	–	196,833
In the second to fifth years, inclusive	178,142	202,738
	178,142	399,571

17. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Company comprise trade receivables, an amount due from the non-controlling shareholder and cash and cash equivalents which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.

The financial liabilities of the Company comprise trade payables, financial liabilities included in other payables and accruals, and amounts due to the immediate holding company, the ultimate holding company and fellow subsidiaries which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position or the corresponding notes to the financial statements.

18. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade receivables, cash and cash equivalents, trade payables, financial liabilities included in other payables and accruals, and balances with the immediate holding company, the ultimate holding company, non-controlling shareholder and fellow subsidiaries approximated to their carrying amounts largely due to the short term maturities of these instruments.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Foreign currency risk

The Company has transactional currency exposures. Such exposures mainly arise from sales or purchases in currencies other than the functional currency of the Company. The Company manages its foreign currency risk by monitoring closely the movements in exchange rates.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in Australian dollar ("AUD") exchange rate, with all other variables held constant, of the Company's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in in the AUD exchange rate	Increase/ (decrease) in loss before tax	Decrease/ (increase) in equity
	%	HK$	HK$
31 March 2015			
If HK$ weakens against AUD	1	1,788	1,788
If HK$ strengthens against AUD	(1)	(1,788)	(1,788)
31 March 2014			
If HK$ weakens against AUD	1	4,150	4,150
If HK$ strengthens against AUD	(1)	(4,150)	(4,150)

Credit risk

The aggregate carrying amount of cash and cash equivalents, trade receivables, and an amount due from the non-controlling shareholder represent the Company's maximum exposure to credit risk in relation to financial assets. The Company's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Company has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The maximum exposure for trade receivables is the carrying amount as disclosed in note 10 to the financial statements. At the end of the reporting period, the Company had a certain concentration of credit risks as 17% (2014: 19%) of the Company's trade receivables was due from the Company's top customer.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2014 and year ended 31 March 2015.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 May 2015.

Nor Europe Manufacturing Company Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the Company has not changed during the year and was the trading of garments. Details of the principal activities of the Company's subsidiary are set out in note 11 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results

The Group's results for the year ended 31 March 2015, and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 4 to 34.

Property, plant and equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 10 to the financial statements.

Directors

The directors of the Group during the year were:

Pallak Seth

Albert Farre Moll

In accordance with the Company's articles of association, all remaining directors will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of itssubsidiary, holding companies or fellow subsidiaries a party to any arrangement to enable thedirectors to acquire such rights in any other body corporate.

Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiary, holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

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Chairman

Hong Kong

25 May 2015

INDEPENDENT AUDITORS' REPORT

To the shareholders of Nor Europe Manufacturing Company Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Nor Europe Manufacturing Company Limited (the "Company") and its subsidiary (together, the "Group") set out on pages 4 to 33, which comprise the consolidated and company statement of financial position as at 31 March 2015, and the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 March 2015, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated 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, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015, and of its loss and cash flows for the year ended 31 March 2015 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

25 May 2015

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2015

	Notes	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
REVENUE	4	70,762,347	94,822,953
Cost of sales		(64,506,478)	(86,218,939)
Gross profit		6,255,869	8,604,014
Other income and gains, net	4	5,511,899	2,284,587
Selling and distribution costs		(5,284,548)	(9,099,884)
Administrative expenses		(6,534,193)	(6,824,413)
Other operating expenses		(41,011)	(37,438)
Finance costs	6	(305,985)	(260,638)
LOSS BEFORE TAX	5	(397,969)	(5,333,772)
Income tax expense	8	–	–
LOSS FOR THE YEAR/PERIOD		(397,969)	(5,333,772)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
LOSS FOR THE YEAR/PERIOD	(397,969)	(5,333,772)

OTHER COMPREHENSIVE LOSS		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of a foreign operation	(48,250)	(2,179)
OTHER COMPREHENSIVE LOSS FOR THE YEAR/PERIOD, NET OF TAX	(48,250)	(2,179)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	(446,219)	(5,335,951)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	10	23,919	52,845
CURRENT ASSETS			
Trade and bills receivables	12	17,236,898	10,132,151
Prepayments, deposits and other receivables	13	650,091	760,455
Due from a non-controlling shareholder	19(b)	233,400	233,400
Due from a subsidiary	19(b)	483	–
Cash and cash equivalents		278,518	592,549
Total current assets		18,399,390	11,718,555
CURRENT LIABILITIES			
Trade payables		9,826,554	12,446,519
Receipts in advance, other payables and accruals	14	727,279	671,753
Due to the immediate holding company	19(b)	15,819,785	3,780,789
Due to an intermediate holding company	19(b)	–	46,843
Due to fellow subsidiaries	19(b)	89,912	2,419,498
Total current liabilities		26,463,530	19,365,402
NET CURRENT LIABILITIES		(8,064,140)	(7,646,847)
Net liabilities		(8,040,221)	(7,594,002)
EQUITY			
Issued capital	15	778,000	778,000
Reserves	16(a)	(8,818,221)	(8,372,002)
Net deficiency in assets		(8,040,221)	(7,594,002)

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Director Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Issued capital HK$	Exchange reserve HK$	Accumulated losses HK$	Net deficiency in assets HK$
At 1 April 2013		778,000	-	(3,036,051)	(2,258,051)
Loss for the year		–	–	(5,333,772)	(5,333,772)
Other comprehensive loss for the year:					
Exchange differences on translation of a foreign operation		–	(2,179)	–	(2,179)
Total comprehensive loss for the year		–	(2,179)	(5,333,772)	(5,335,951)
At 31 March 2014 and at 1 April 2014		778,000	(2,179)*	(8,369,823)*	(7,594,002)
Loss for the year		–	–	(397,969)	(397,969)
Other comprehensive loss for the year:					
Exchange differences on translation of a foreign operation		–	(48,250)	–	(48,250)
Total comprehensive loss for the year		–	(48,250)	(397,969)	(446,219)
At 31 March 2015		778,000	(50,429)*	(8,767,792)*	(8,040,221)

* These reserve accounts comprise the deficit of reserves of HK$8,818,221 (2014: HK$8,372,002) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(397,969)	(5,333,772)
Adjustments for:			
Depreciation	5	38,761	37,438
Finance costs	6	305,985	260,638
		(53,223)	(5,035,696)
Decrease/(increase) in trade and bills receivables		(7,104,747)	17,429,715
Increase in prepayments, deposits and other receivables		58,617	(515,136)
Increase in trade payables		(2,619,965)	433,138
Increase in receipts in advance, other payables and accruals		92,954	563,350
Increase/(decrease) in an amount due to the immediate holding company		12,044,253	(11,061,745)
Increase/(decrease) in an amount due to an intermediate holding company		(46,843)	(622,125)
Increase/(decrease) in amounts due to fellow subsidiaries		(2,329,586)	(1,460,663)
Increase/(decrease) in amounts due from fellow subsidiaries		(483)	–
Cash flows generated from/(used in) operations		40,977	(269,162)
Interest paid		(305,985)	(260,638)
Net cash flows from/(used in) operating activities		(265,008)	(529,800)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary	17	–	328,888
Purchases of items of property, plant and equipment	10	(19,607)	(22,026)
Net cash flows from/(used in) investing activities		(19,607)	306,862
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(284,615)	(222,938)
Cash and cash equivalents at beginning of year/period		592,549	803,909
Effect of foreign exchange rate changes, net		(29,416)	11,578
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		278,518	592,549
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		278,518	592,549

Nor Europe Manufacturing Company Limited

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015	2014
		HK$	HK$
NON-CURRENT ASSETS			
Property, plant and equipment	10	–	–
Investment in a subsidiary	11	29,875	29,875
Total non-current assets		29,875	29,875
CURRENT ASSETS			
Trade and bills receivables	12	17,236,898	10,132,151
Deposits	13	–	–
Due from a non-controlling shareholder	19(b)	233,400	233,400
Due from a subsidiary	19(b)	95,494	85,444
Cash and cash equivalents		67,186	577,032
Total current assets		17,632,978	11,028,027
CURRENT LIABILITIES			
Trade payables		9,826,554	12,446,519
Receipts in advance and an accrual	14	31,831	32,901
Due to the immediate holding company	19(b)	15,819,785	3,780,789
Due to an intermediate holding company	19(b)	–	46,843
Due to fellow subsidiaries	19(b)	89,912	2,419,498
Total current liabilities		25,768,082	18,726,550
NET CURRENT LIABILITIES		8,135,104	(7,698,523)
Net liabilities		8,105,229	(7,668,648)
EQUITY			
Issued capital	15	778,000	778,000
Accumulated losses	16(b)	(8,883,229)	(8,446,648)
Net deficiency in assets		(8,105,229)	(7,668,648)

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Director Director

1. CORPORATE INFORMATION

Nor Europe Manufacturing Company Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kwoloon, Hong Kong.

During the year, the Group was engaged in the trading of garments and investment holding.

The Company is a subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. In the opinion of the directors, the Company's ultimate holding company during the year was Pearl Global Industries Limited, a company incorporated in India with shares listed on the Bombay Stock Exchange and the National Stock Exchange of India Limited.

On 13 May 2014, the share capital of Multinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, the Company's ultimate holding company subsequent to the said share capital transfer, was PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

These financial statements have been prepared on the going concern basis, notwithstanding that the Group had net current liabilities and net liabilities at the end of the reporting period, as the Group's immediate holding company has agreed to provide adequate funds for the Group to meet its liabilities as and when they fall due.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary (collectively referred to as the "Group") for the year ended 31 March 2015. The financial statements of its subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. The results of its subsidiary are consolidated from the date of incorporation/acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in the profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to the profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets of liabilities.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs became effective for the first time during the current financial year but are not applicable to the Group, and accordingly, they have had no impact on the Group's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of its subsidiary are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investment in a subsidiary is stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquired.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 Financial Instruments: Recognition and Measurement is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not fall within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

  or

(b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiaryor fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the year in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives/principal annual rates used for this purpose are as follows:

Leasehold improvement	Over the shorter of the lease terms and 33.1/3%
Furniture and fixtures	33.1/3%
Office equipment	33.1/3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to the immediate holding company, an intermediate holding company and fellow subsidiaries.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

<u>Provisions</u>

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

<u>Revenue recognition</u>

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

<u>Foreign currencies</u>

These financial statements are presented in HK$, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

The functional currency of an overseas subsidiary is a currency other than HK$. As at the end of the reporting period, the assets and liabilities of the subsidiary are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and the statement of profit or loss is translated into HK$ at the weighted average exchange rate for the period. The resulting exchange differences are recognised in other comprehensive income and are accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of an overseas subsidiary are translated into HK$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiary which arise throughout the period are translated into HK$ at the weighted average exchange rate for the period.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold.

An analysis of the Group's other income and gains is as follows:

	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
Penalty charges received from suppliers	3,633,878	773,369
Miscellaneous income	375,166	70,799
Foreign exchange difference, net	1,502,855	1,440,419
	5,511,899	2,284,587

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
Cost of inventories sold	64,506,478	86,218,939
Auditors' remuneration	29,830	32,900
Depreciation	38,761	37,438
Staff costs (excluding directors' remuneration (note 7)):		
Salaries and allowances	983,052	978,558
Pension scheme contributions (defined contribution schemes)	263,191	206,625
	1,246,243	1,185,183
Minimum lease payments under operating leases of land and buildings	342,819	326,622
Foreign exchange differences, net	(1,502,855)	(1,440,419)

6. FINANCE COSTS

	Group Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
Interest on overdrafts and bank charges arising from letters of credit	305,985	260,638

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	–	–
	–	–

8. INCOME TAX

Hong Kong profits tax been provided at the rate of 16.5% (Period ended 31 March 2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the year (Period ended 31 March 2014: Nil).

Nor Europe Manufacturing Company Limited

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Group is domiciled to the tax charge at the Group's effective tax rate is as follows:
Year ended 31 March 2015

	Hong Kong	Spain	Total
	HK$	HK$	HK$
Profit/(loss) before tax	(436,581)	38,612	(397,979)
Tax at the applicable tax rate	(72,036)	6,371	(65,665)
Tax losses not recognised	72,036	–	72,036
Income not subject to tax	–	(6,371)	(6,371)
Tax at the effective rate	–	–	–
Profit/(loss) before tax	(5,410,597)	76,825	(5,333,772)
Tax at the applicable tax rate	(892,749)	12,676	(880,073)
Tax losses not recognised	892,749	–	892,749
Income not subject to tax	–	(12,676)	(12,676)
Tax at the effective rate	–	–	–

There was no significant unprovided deferred tax charge in respect of the year and as at the end of the reporting period (Period ended 31 March 2014: Nil).

As at 31 March 2015, the Group had unused tax losses of HK$8,767,130 (31 March 2014: HK$8,339,925) which arose in Hong Kong but the Group did not recognise any corresponding deferred tax assets as the directors consider it uncertain that there will be available taxable profits to utilise the unused tax losses.

9. LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated loss attributable to owners of the parent for the year ended 31 March 2015 includes a loss of HK$436,581 (Period ended 31 March 2014: HK$5,410,597) which has been dealt with in the financial statements of the Company (note 16(b)).

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold improvements	Furniture and fixtures	Office equipment	Total
	HK$	HK$	HK$	HK$
31 March 2015				
At 31 March 2014 and at 1 April 2014:				
Cost	46,225	10,850	97,452	154,527
Accumulated depreciation	(25,876)	(7,602)	(68,204)	(101,682)
Net carrying amount	20,349	3,248	29,248	52,845
At 1 April 2014, net of accumulated depreciation	20,349	3,248	29,248	52,845
Additions	–	–	19,607	19,607
Depreciation provided during the year	(9,253)	(2,344)	(27,164)	(38,761)
Exchange realignment	(264)	(67)	(9,441)	(9,772)
At 31 March 2015, net of accumulated depreciation	10,832	837	12,250	23,919
At 31 March 2015:				
Cost	46,555	10,928	117,895	175,378
Accumulated depreciation	(35,723)	(10,091)	(105,645)	(151,459)
Net carrying amount	10,832	837	12,250	23,919
31 March 2014				
At 1 April 2013, net of accumulated depreciation	32,462	6,533	44,378	83,373
Additions	–	–	22,026	22,026
Depreciation provided during the year	(12,956)	(2,544)	(21,938)	(37,438)
Exchange realignment	843	(741)	(15,218)	(15,116)
At 31 March 2014, net of accumulated depreciation	20,349	3,248	29,248	52,845
At 31 March 2014:				
Cost	46,225	10,850	97,452	154,527
Accumulated depreciation	(25,876)	(7,602)	(68,204)	(101,682)
Net carrying amount	20,349	3,248	29,248	52,845

At 31 March 2014 and at 1 April 2014:				
Cost	–	–	–	–
Accumulated depreciation	–	–	–	–
Net carrying amount	–	–	–	–
At 1 April 2014, net of accumulated depreciation	–	–	–	–
Transferred to a subsidiary	–	–	–	–
At 31 March 2015, net of accumulated depreciation	–	–	–	–
At 31 March 2015:				
Cost	–	–	–	–
Accumulated depreciation	–	–	–	–
Net carrying amount	–	–	–	–
31 March 2014				
At 1 April 2013, net of accumulated depreciation	32,462	6,533	44,378	83,373
Transferred to a subsidiary	(32,462)	(6,533)	(44,378)	(83,373)
At 31 March 2014, net of accumulated depreciation	–	–	–	–
At 31 March 2014:				
Cost	–	–	–	–
Accumulated depreciation	–	–	–	–
Net carrying amount	–	–	–	–

11. INVESTMENT IN A SUBSIDIARY

	Company	
	2015	2014
	HK$	HK$
Unlisted shares, at cost	29,875	29,875

Particulars of the Company's subsidiary as at the end of the reporting period are as follows:

Name	Place of incorporation and operations	Nominal value of issued ordinary share capital	Percentage of equity attributable directly to the Company	Principal activities
Nor Europe Manufacturing S.L. ("Nor Europe SL")*	Spain	Euro 3,000	100	Provision of sourcing services

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

12. TRADE AND BILLS RECEIVABLES

	Group and Company	
	2015	2014
	HK$	HK$
Trade receivables	17,236,898	10,132,151
Bills receivable	–	–
	17,236,898	10,132,151

The Group's trading terms with its customers are mainly on credit. Trade and bills receivables are non-interest-bearing and are on terms of up to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The aged analysis of trade receivables as at the end of the reporting period, based on payment due date, that are neither individually nor collectively considered to be impaired, is as follows:

	Group and Company	
	2015	2014
	HK$	HK$
Neither past due nor impaired	16,686,619	9,795,091
Past due but not impaired:		
Less than one month	550,279	337,060
	17,236,898	10,132,151

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to customers that have a good track record with the Group. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group	Company	
	2015	2014	2015	2014
	HK$	HK$	HK$	HK$
Prepayments	436,752	576,010	–	–
Deposits	35,315	45,313	–	–
Other receivables	178,024	139,132	–	–
	650,091	760,455	–	–

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

14. RECEIPTS IN ADVANCE, OTHER PAYABLES AND ACCRUALS

		Group	Company	
	2015	2014	2015	2014
Receipt in advance	HK$	HK$	HK$	HK$
Accrual	31,831	32,901	31,831	32,901
Accrued employee benefits	35,958	2,975	–	–
Other payables	659,490	635,877	–	–
	727,279	671,753	31,831	32,901

Other payables are non-interest-bearing and have an average term of three months.

15. SHARE CAPITAL

	2015	2014
	HK$	HK$
Authorised, issued and fully paid:		
10,000 ordinary shares of US$1 each	778,000	778,000

On incorporation, the Group's authorised share capital was US$100,000 divided into 10,000 ordinary shares of US$1 each and 10,000 ordinary shares were issued at par for cash as subscribers' shares.

16. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current year and the prior period are presented in the consolidated statement of changes in equity on page 7 of the financial statements.

(b) Company

	Accumulated losses
	HK$
Loss and total comprehensive loss for the period ended 31 March 2014	(8,446,648)
At 31 March 2014 and at 1 April 2014	(8,446,648)
Loss and total comprehensive loss for the year	(436,581)
At 31 March 2015	(8,883,229)

17. BUSINESS COMBINATION

On 10 April 2013, the Group acquired a 100% interest Nor Europe SL from an independent third party. Nor Europe SL is engaged in the provision of sourcing services. The fair values of the identifiable assets of Nor Europe SL as at the date of acquisition were as follows:

	Fair value recognised on acquisition of Nor Europe SL
	HK$
Consideration for 100% equity interest acquired	29,875
Net assets	
Other receivables	194,205
Cash and cash equivalents	358,763

Nor Europe Manufacturing Company Limited

Due to an intermediate holding company	(523,093)
Total identifiable net assets at fair value	29,875
Net cash inflow per the consolidated statement of cash flows	328,888

Subsequent to the acquisition, Nor Europe SL had no revenue and contributed profit of HK$76,825 to the Group's consolidated financial statements for the year ended 31 March 2014. Prior to the acquisition, Nor Europe SL had no revenue and incurred a loss of HK$139,132.

18. NOTE TO THE STATEMENT OF CASH FLOWS

Major non-cash transaction

On 4 November 2011 (date of incorporation), the Group issued 100,000 ordinary shares of US$1 each at par, of which 70,000 shares were issued to the immediate holding company and 30,000 shares were issued to a non-controlling shareholder. The corresponding considerations of HK$544,600 and HK$233,400 were settled through and debited to an amount due to the immediate holding company and an amount due from the non-controlling shareholder, respectively.

19. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year/period:

	Notes	31 March 2015 HK$	31 March 2014 HK$
Immediate holding company:			
Sample income	(i)	376,146	–
Commission income	(ii)	3,445,435	3,719,531
Sample expenses	(iii)	1,249,189	171,782
Intermediate holding company:			
Management fees	(i)	342,320	367,606
Commission income	(ii)	–	149,014
Commissions paid	(iv)	–	59,809
Fellow subsidiaries:			
Management and Facilities Charges	(vi)	4,123,169	–
Commissions paid	(iv)	27,318	1,290,217
Purchases of goods	(v)	–	701,300

Notes:

(i) The sample income received was based on terms mutually agreed between the Group and the immediate holding company.

(ii) The commission income received was based on terms mutually agreed between the Group and the respective related parties.

(iii) The sample expenses paid were based on terms mutually agreed between the Group and the immediate holding company.

(iv) The commissions paid were based on terms mutually agreed between the Group and the respective related parties.

(v) The purchases were made according to prices and conditions mutually agreed between the Group and the respective fellow subsidiaries.

(vi) Management and Facilities Charges was based on terms mutually agreed between the Group and the respective related parties.

(b) Outstanding balances with related parties:

The balances with an intermediate holding company, the immediate holding company, a non-controlling shareholder, fellow subsidiaries and a subsidiary are unsecured, interest-free and have no fixed terms of repayment.

20. OPERATING LEASE ARRANGEMENTS

The Group leases its office premise and car park under operating lease arrangements. Leases for the properties are negotiated for terms ranging from one to four years.

At 31 March 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group 2015 HK$	2014 HK$	Company 2015 HK$	2014 HK$
Within one year	408,050	154,257	408,050	–
In the second to fifth years, inclusive	707,626	244,241	707,626	–
	1,115,676	398,498	1,115,676	–

21. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Group and the Company comprise trade and bills receivables, deposits and other receivables, amounts due from a non-controlling shareholder and a subsidiary, and cash and cash equivalents which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the consolidated and company statements of financial position or in the corresponding notes to the financial statements. The financial liabilities of the Group and the Company comprise trade payables, other payables and accruals, and amounts due to the immediate holding company, an intermediate holding company and fellow subsidiaries which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the consolidated and company statements of financial position or in the corresponding notes to the financial statements.

22. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade and bills receivables, deposits and other receivables, amounts due from a non-controlling shareholder and a subsidiary, cash and cash equivalents, trade payables, other payables and accruals, and amounts due to the immediate holding company, an intermediate holding company and fellow subsidiaries approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Group and the Company did not have any financial assets and liabilities measured at fair value as at the end of each reporting period.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's exposure to credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Group's financial management policies and practices described below:

Credit risk

The aggregate carrying amount of cash and cash equivalents, trade and bills receivables, deposits and other receivables, an amount due from the non-controlling shareholder represents the Group's maximum exposure to credit risk in relation to financial assets. The Group's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Group has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The maximum exposure for trade and bills receivables is the carrying amount as disclosed in note 12 to the financial statements. At the end of the reporting period, the Group had a certain level of concentration of credit risk as 40% (31 March 2014: 65%) of the Group's trade and bills receivable was due from the Group's top customer.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended

31 March 2015 and 31 March 2014.

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 May 2015.

Designed and Sourced Limited

REPORT OF THE DIRECTORS

The directors present their first report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The principle activity of the Company is the trading of furniture. There was no significant change in the nature of the Company's principal activity during the year.

Results

The Company's result for the year then ended and the state of affairs of the Company as at 31 March 2015 are set out in the financial statements on pages 5 to 23.

Property, plant and equipment

Details of movements in the Company's property, plant and equipment during the year are set out in note 8 to the financial statements.

Directors

The directors of the Company during the year were:

Pallak Seth

Liang Kan Ke

Deepak Kumar Seth

Payel Seth

In accordance with the Company's articles of association, all remaining directors will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

REPORT OF THE DIRECTORS

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

....

Chairman

Hong Kong

[Date]

INDEPENDENT AUDITORS' REPORT

To the members of Designed and Sourced Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Designed and Sourced Limited (the "Company") set out on pages 5 to 23, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

[Date]

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
REVENUE	3	4,821,131	2,687,241
Cost of sales		(3,574,505)	(2,059,502)
Gross profit 627,739			1,246,626
Other income	3	1,894,935	707,233
Administrative expenses		(8,193,867)	(11,665,288)
Selling and distribution costs		(425,600)	(477,744)
Finance cost	5	–	(3,758)
Other operating expenses		(124,879)	(205,958)
LOSS BEFORE TAX	4	(5,602,785)	(11,017,776)
Income tax expense	7	–	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(5,602,785)	(11,017,776)

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	8	37,087	81,445
CURRENT ASSETS			
Trade receivables		260,658	–
Prepayments, deposits and other receivables	9	179,377	263,017
Due from non-controlling shareholders	13(b)	622,400	622,400
Due from a fellow subsidiary	13(b)	112,599	31,664
Cash and cash equivalents		245,906	328,378

Designed and Sourced Limited

Total current assets		1,420,940	1,245,459
CURRENT LIABILITIES			
Trade and bills payables		488,635	319,476
Other payables and accruals	10	109,581	373,328
Due to the immediate holding company	13(b)	16,131,795	11,068,518
Due to fellow subsidiaries	13(b)	144,108	511,848
Due to the intermediate holding company		933,600	–
Loan from the immediate holding company	13(c)	1,750,500	1,750,500
Loans from non-controlling shareholders	13(c)	1,288,559	1,089,200
Total current liabilities		20,846,778	15,112,870
NET CURRENT LIABILITIES		(19,425,838)	(13,867,411)
Net liabilities		(19,388,751)	(13,785,966)
EQUITY			
Share capital	11	1,556,000	1,556,000
Reserves		(20,944,751)	(15,341,966)
Net deficiency in assets		(19,388,751)	(13,785,966)

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Issued capital HK$	Accumulated losses HK$	Net deficiency in assets HK$
Issue of shares on incorporation	11	1,556,000	(4,324,190)	(2,768,190)
Loss and total comprehensive loss for the period		–	(11,017,776)	(11,017,776)
At 31 March 2014 and 1 April 2014		1,556,000	(15,341,966)	(13,785,966)
Loss and total comprehensive loss for the year		–	(5,602,785)	(5,602,785)
At 31 March 2015		1,556,000	(20,944,751)	19,388,751

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(5,602,785)	(11,017,776)
Adjustment for:			
Depreciation for property, plant and equipment	8	44,358	44,358
Interest expenses		–	3,758
		(5,558,427)	(10,969,660)
Decrease/(increase) in trade receivables		(260,658)	–
Increase in prepayments and deposits		2,705	(185,232)
Increase in an amount due from a fellow subsidiary		–	(31,664)
Increase in trade payables		169,159	319,476
Increase in other payables and accruals		5,564,749	78,062
Increase in an amount due to the immediate holding company		–	10,218,095
Increase/(decrease) in amounts due to fellow subsidiaries		–	(2,003,405)
Cash generated from/(used in) operations		(82,472)	(2,574,328)
Interest paid		–	(3,758)
Net cash flows from/(used in) operating activities		(82,472)	(2,578,086)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		–	–
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in a loan from the immediate holding company		–	1,750,500
Increase in loans from non-controlling shareholders		–	1,089,200
Cash generated from financing activities		–	2,839,700
NET INCREASE IN CASH AND CASH EQUIVALENTS		(82,472)	261,614
Cash and cash equivalents at beginning of year/period		328,378	66,764
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		245,906	328,378
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances		245,906	328,378

1. CORPORATE INFORMATION

Designed and Sourced Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the principle activity of the Company is the trading of furniture.

The Company is a subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. In the opinion of the directors, the Company's ultimate holding company during the year was Pearl Global Industries Limited, a company incorporated in India with shares listed on the Bombay Stock Exchange and the National Stock Exchange in India.

On 10 March 2014, the High Court of Delhi sanctioned a Scheme of Arrangement between Pearl Global Industries Limited (the "Transferor Company") and PDS Multinational Fashions Limited (the "Transferee Company"), a company incorporated in India with shares planned to be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Subsequent to the reporting period and consequent to the filing of the same Scheme of Arrangement with the Registrar of Companies in India on 13 May 2014, the share capital of tMultinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from the Transferor Company to the Transferee Company which became the Company's new ultimate holding company.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

These financial statements have been prepared on the going concern basis, notwithstanding that the Company had net current liabilities and net liabilities at the end of the reporting period, as the Company's immediate holding company has agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs became effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	25%
Office equipment	25% - 33.1/3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant including equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to profit or loss on the straight-line basis over the lease terms.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

<u>Financial liabilities</u>

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, financial liabilities included in other payables, accruals and receipts in advance, amounts due to the immediate holding company and fellow subsidiaries, and loans from the immediate holding company and non-controlling interests.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

<u>Derecognition of financial liabilities</u>

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

<u>Offsetting of financial instruments</u>

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

<u>Cash and cash equivalents</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks, including term deposits, which are not restricted as to use.

<u>Provisions</u>

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

<u>Income tax</u>

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

<u>Revenue recognition</u>

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) commission income, when the services are rendered.

<u>Employee benefits</u>

Retirement benefits scheme

The Company operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Company's employer voluntary contributions, which are refunded to the Company when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3. REVENUE AND OTHER INCOME

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

Other income represents commission income received.

4. LOSS BEFORE TAX

The Company's loss before tax is arrived at after charging:

	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
Auditors' remuneration	31,900	31,900
Depreciation	44,358	44,358
Staff costs (excluding directors' remuneration (note 6)):		
Salaries and allowances	3,652,168	5,541,789
Pension scheme contributions (defined contribution scheme)	192,918	534,300
	3,845,086	6,076,089
Minimum lease payments under operating leases of land and buildings	828,762	719,977
Foreign exchange differences, net	80,521	161,600

5. FINANCE COSTS

	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
Interests on overdrafts and other loans	–	2,957
Bank charges arising from letters of credit	–	801
	–	3,758

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance is as follows:

	Year ended 31 March 2015 HK$	Year ended 31 March 2014 HK$
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	984,114	1,587,702
Pension scheme contributions	11,500	16,250
	995,614	1,603,952

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits in Hong Kong during the year ended 31 March 2015. A reconciliation of the tax credit applicable to loss before tax using the Hong Kong statutory rate of 16.5% (Period ended31 March 2014: 16.5%) to the tax at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	Year ended 31 March 2015 HK$	%	Year ended 31 March 2014 HK$	%
Loss before tax	(5,602,785)		(11,017,776)	
Tax credit at the statutory tax rate	(924,460)	16.5	(1,817,933)	16.5
Tax losses not recognised	917,884	(16.4)	1,811,543	(16.4)
Other	6,576	(0.1)	6,390	(0.1)
Tax at the effective tax rate	–	–	–	–

As at 31 March 2015, the Company had unused tax losses of HK$16,541,984 (2013: HK$15,400,878), subject to the agreement of the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the Company.

At the end of the reporting period, deferred tax assets in respect of the unused tax losses have not been recognised as the directors consider it uncertain that there will be available taxable profits to utilise the usused tax losses.

8. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK$	Office equipment HK$	Total HK$
31 March 2015			
At 31 March 2014 and at 1 April 2014			
Cost	1,615	131,877	133,492
Accumulated depreciation	(471)	(51,576)	(52,047)
Net carrying amount	1,144	80,301	81,445
At 1 April 2014, net of accumulated depreciation	1,144	80,301	81,445
Depreciation provided during the year	(404)	(43,954)	(44,358)
At 31 March 2015, net of accumulated depreciation	740	36,347	37,087
At 31 March 2015:			
Cost	1,615	131,877	133,492
Accumulated depreciation	(875)	(95,530)	(96,405)
Net carrying amount	740	36,347	37,087
31 March 2014			
At 31 March 2013 and at 1 April 2013			
Cost	1,615	131,877	133,492
Accumulated depreciation	(67)	(7,622)	(7,689)
Net carrying amount	1,548	124,255	125,803
At 1 April 2013, net of accumulated depreciation	1,548	124,255	125,803
Depreciation provided during the year	(404)	(43,954)	(44,358)

Designed and Sourced Limited

At 31 March 2014, net of accumulated depreciation	1,144	80,301	81,445
At 31 March 2014:			
Cost	1,615	131,877	133,492
Accumulated depreciation	(471)	(51,576)	(52,047)
Net carrying amount	1,144	80,301	81,445

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	HK$	HK$
Prepayments	43,727	185,232
Deposits	77,785	77,785
Other receivables	57,865	–
	179,377	263,017

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

10. OTHER PAYABLES AND ACCRUALS

	2015	2014
	HK$	HK$
Accrued employee benefits	77,681	55,297
Accrual	31,900	31,900
Deferred income	–	179,149
Other payables	–	106,982
	109,581	373,328

Other payables are non-interest-bearing and have an average term of three months.

11. SHARE CAPITAL

	2015	2014
	HK$	HK$
Authorised:		
500,000 ordinary shares of US$1 each	3,890,000	3,890,000
Issued and fully paid:		
200,000 ordinary shares of US$1 each	1,556,000	1,556,000

On incorporation, the Company's authorised share capital was US$500,000 divided into 500,000 ordinary shares of US$1 each and 200,000 ordinary shares were issued at par for cash as the subscriber's shares.

12. NON-CASH TRANSACTION

Major non-cash transaction

On 27 August 2012 (date of incorporation), the Company issued 200,000 ordinary shares of US$1 each at par, of which 120,000 shares were issued to the immediate holding company and 80,000 shares were issued to non-controlling shareholders. The corresponding considerations of HK$933,600 and HK$622,400 were settled through and debited to an amount due to the immediate holding company and an amount due from the non-controlling shareholders, respectively.

13. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

	Notes	2015	2014
		HK$	HK$
Intermediate holding company:			
Management fees paid	(ii)	142,374	126,409
Fellow subsidiaries:			
Commission fees received	(i)	967,151	213,870
Management fees paid	(ii)	–	–
Consulting fees paid	(iii)	798,524	590,597
Rentals paid		604,189	–
Operating expense recharged, net		2,803,790	–

Notes:

(i) The commissions received were from the provision of sourcing services and were determined based on terms mutually agreed between the respective related parties.

(ii) The management fees were from the provision of corporate management services and were determined based on terms mutually agreed between the Company and the respective related parties.

(iii) The consulting fees were from the provision of project management, design, IT services and were determined based on terms mutually agreed between the Company and the respective related parties.

(b) The balances with the immediate holding company, fellow subsidiaries and non-controlling shareholders are unsecured, interest-free and have no fixed terms of repayment.

(c) The loans from the immediate holding company and non-controlling shareholders are unsecured, interest-free and are repayable within a year.

14. OPERATING LEASE COMMITMENTS

The Company leases its office premises under operating lease arrangements and the leases are negotiated for terms ranging from one to two years.

At the end of the reporting period, the Company had total future minimum lease payments under non-cancellable operating lease falling due as follows:

	2015	2014
	HK$	HK$
Within one year	119,692	423,490
In the second to fifth years, inclusive	–	101,362
	119,692	524,852

15. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Company comprise deposits, amounts due from non-controlling shareholders and a fellow subsidiary, and cash and cash equivalents which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.The financial liabilities of the Company comprise trade payables, financial liabilities included in other payables and accruals, amounts due to the immediate holding company and fellow subsidiaries, and loans from the immediate holding company and non-controlling shareholders which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.

16. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of deposits, bank balances, trade payables, financial liabilities included in other payables and accruals, balances with the immediate holding company, non-controlling shareholders and fellow subsidiaries, and loans from the immediate holding company and non-controlling shareholders approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Company did not have any financial assets and liabilities measured at fair value as at the end of the reporting period.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Credit risk

The aggregate carrying amount of deposits, cash and cash equivalents, amounts due from non-controlling shareholders and a fellow subsidiary represents the Company's maximum exposure to credit risk in relation to financial assets. The Company's cash and cash equivalents are deposited with creditworthy banks with no recent history of default.

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2015 and the period from 27 August 2012 (date of incorporation) to 31 March 2014.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 May 2014.

Kleider Sourcing Hong Kong Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Principal activity

The principal activity of the Company during the year was the trading of garments.

Results

The Company's profit for the year ended 31 March 2015 and its state of affairs as at that date are set out in the financial statements on pages 4 to 18.

Directors

The directors of the Company during the year were:

Pallek Seth

Deepak Kumar Seth

Iftekhar Ullah

There being no provision in the Company's articles of association for the retirement of the directors who will continue in office for the ensuing year.

Directors' interests

At no time during the year was rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to the directors or their spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

The directors had no material interest, either directly or indirectly, in any contract of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young were appointed by the directors as the Company's first auditors. Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

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Chairman

Hong Kong

INDEPENDENT AUDITORS' REPORT

To the members of Kleider Sourcing Hong Kong Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Kleider Sourcing Hong Kong Limited (the "Company") set out on pages 4 to 18, which comprises the statement of financial position as at 31 March 2015, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 March 2015, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

TO THE SHAREHOLDER OF KLEIDER SOURCING HONG KONG LIMITED

(Incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

Date:

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	4	150,388,578	5,400,857
Cost of sales		(133,228,811)	(4,627,820)
Gross profit 773,037			17,159,767
Other income 737,723	4		749,547
Administrative expenses		(9,527,120)	(1,667,083)
Selling and distribution costs		(1,971,752)	(213,999)
Other operating expense		(14,847)	(92)
LOSS BEFORE TAX	5	6,395,595	(370,414)
Income tax credit	7	(1,055,273)	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		5,340,322	(370,414)

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015	2014
CURRENT ASSETS			
Trade receivables	8	16,390,160	4,112,195
Other receivables		104,440	98,794
Due from non-controlling interest	11(b)	35,010	–
Due from the immediate holding company	11(b)	6,171,611	–
Cash and cash equivalents		1,272,204	244,083
Total current assets		23,973,425	4,455,072
CURRENT LIABILITIES			
Trade payables		17,836,961	3,465,721
Other payables and an accrual	9	31,900	155,266
Due to the immediate holding company	11(b)	–	1,125,241
Due to a fellow subsidiary	11(b)	1,583	1,458
Tax payable –			1,055,273
Total current liabilities		18,925,717	4,747,686
Net liabilities (292,614)			5,047,708

EQUITY		
Issued capital 77,800	10	77,800
Accumulated loss	4,969,908	(370,414)
Net deficiency in assets	(5,047,708)	(292,614)

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Director Director

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Note	Issued capital HK$	Accumulated loss HK$	Net deficiency in assets HK$
Issue of shares on incorporation	10	77,800	–	77,800
Loss and total comprehensive loss for the year		–	(370,414)	(370,414)
At 31 March 2014 and 1 April 2014		77,800	(370,414)	(292,614)
Profit and total comprehensive income for the year		–	5,340,322	5,340,322
At 31 March 2015		77,800	4,969,908	5,047,708

STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	6,395,595	(370,414)
Increase in trade receivables	(15,782,901)	(4,112,195)
Increase in other receivables	(2,707,331)	(98,794)
Increase in trade payables	14,371,240	3,465,721
Increase/ (decrease) in other payables and an accrual	(1,248,482)	155,266
Decrease in an amount due to the immediate holding company	–	1,125,241
Decrease in an amount due to a fellow subsidiary	-	1,458
Cash generated from operations and net cash flows from operating activities	1,028,121	166,283
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	–	77,800
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,028,121	244,083
Cash and cash equivalents at beginning of year	244,083	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,272,204	244,083
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances	1,272,204	244,083

1. CORPORATE INFORMATION

Kleider Sourcing Hong Kong Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 9/F, Surson Commercial Building 140-142, Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong.

During the year, the Company was engaged in the trading of garments.

The Company is a subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong.

In the opinion of the directors, the Company's ultimate holding company during the year was Pearl Global Industries Limited, a company incorporated in India with shares listed on the Bombay Stock Exchange and the National Stock Exchange of India Limited.

Subsequent to the reporting year, on 25 April 2014, the High Court of Delhi sanctioned a Scheme of Arrangement between Pearl Global Industries Limited (the "Transferor Company") and PDS Multinational Fashions Limited (the "Transferee Company"), a company incorporated in India with shares planned to be listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Consequent to and upon the filing of the same Scheme of Arrangement with the Registrar of Companies in India, the share capital of Multinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from the Transferor Company to the Transferee Company, which became the Company's new ultimate holding company.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

These financial statements have been prepared on the going concern basis, notwithstanding that the Company had net current liabilities and net liabilities at the end of the reporting year, as the Company's ultimate holding company has agreed to provide adequate funds for the Company to meet its liabilities as and when they fall due.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs are effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the year ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person
   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Company or of a parent of the Company;

   or

(b) the party is an entity where any of the following conditions applies:
   (i) the entity and the Company are members of the same group;
   (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
   (iii) the entity and the Company are joint ventures of the same third party;
   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
   (vi) the entity is controlled or jointly controlled by a person identified in (a); and
   (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the year in which it arises in those expense categories consistent with the function of the impaired asset.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash at banks, including term deposits, which are not restricted as to use.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 year generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting year whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, other payables and an accrual, and amounts due to the immediate holding company and a fellow subsidiary.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting year of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) commission income, when the services are rendered.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4. REVENUE AND OTHER INCOME

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold.

Other income represents commission income.

5. PROFIT/ (LOSS) BEFORE TAX

The Company's profit/ (loss) before tax is arrived at after charging/ (crediting):

	2015	2014
	HK$	HK$
Cost of inventories sold	133,228,811	4,627,820
Auditors' remuneration	31,900	31,900
Foreign exchange differences, net	12,597	92

6. DIRECTORS' REMUNERATION

None of the directors received any fees or emoluments in respect of their services rendered to the Company during the year.

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made for the prior year as the Company did not generate any assessable profits in Hong Kong during the year from 18 October 2013 (date of incorporation) to 31 March 2014.

A reconciliation of the tax charge applicable to profit before tax using the Hong Kong statutory rate of 16.5% to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2015		2014	
	HK$	%	HK$	%
Profit/ (Loss) before tax	6,395,595		(370,414)	
Tax at the statutory tax rate	1,055,273	16.5	(61,118)	(16.5)
Expenses not deductible for tax	–	–	61,118	16.5
Tax at the effective tax rate	1,055,273	16.5	–	–

8. TRADE RECEIVABLES

The Company's trading terms with its customers are mainly on credit. The credit year is generally one month. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at the end of the reporting year, all of the Company's trade receivables were neither past due nor individually or collectively considered to be impaired, and these receivables relate to an independent customer that has had a good track record with the Company. The directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

9. OTHER PAYABLES AND AN ACCRUAL

	2015	2014
	HK$	HK$
Other payables	–	123,366
Accrual	31,900	31,900
	31,900	155,266

Other payables are non-interest-bearing and have an average term of three months.

10. SHARE CAPITAL

	2015	2014
	HK$	HK$
Issued and fully paid:		
10,000 (2014: 10,000) ordinary shares	77,800	77,800

On incorporation, the Company's authorised share capital was US$10,000 divided into 10,000 ordinary shares of US$1 each and 10,000 ordinary shares were issued at par for cash as the subscriber's shares.

11. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following material transactions with related parties during the year:

	Notes	2015	2014
		HK$	HK$
Intermediate holding company:			
Management fees paid		4,038,684	–
Immediate holding company			
Service support fee paid	(i)	372,283	1,661,077
Commission income received	(ii)	6,822,971	548,490

Notes:

(i) The management fees paid were determined based on terms mutually agreed terms between the Company and the respective related parties.

(ii) The service support fee was charged based on mutually agreed terms between the Company and the immediate holding company.

(iii) The commission income received was charged based on mutually agreed terms between the Company and the immediate holding subsidiary.

(b) The balances with the immediate holding company and a fellow subsidiary are unsecured, interest-free and have no fixed terms of repayment.

12. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Company comprise trade receivables, other receivables and cash and cash equivalents which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements. The financial liabilities of the Company comprises trade payables, financial liabilities included in other payables and an accrual, and amounts due to the immediate holding company and a fellow subsidiary which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the statement of financial position or in the corresponding notes to the financial statements.

13. FAIR VALUE

At the end of the reporting year, the carrying amounts of the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of trade receivables, other receivables and cash and cash equivalents, financial liabilities included in trade payables, other payables and an accrual, and amounts due to the immediate holding company and a fellow subsidiary approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Company did not have any financial assets and liabilities measured at fair value as at the end of the reporting year.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Company's financial management policies and practices described below:

Credit risk

The aggregate carrying amount of cash and cash equivalents, trade receivables and other receivables represents the Company's maximum exposure to credit risk in relation to financial assets. The Company's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Company has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers. The maximum exposure for trade receivables is the carrying amount as disclosed in note 8 to the financial statements. At the end of the reporting year, the Company had a certain level of concentration of credit risk as the Company's entire trade receivables balance was due from the Company's sole customer.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Company's financial liabilities as at the end of the reporting year, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting year.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2015.

15. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on.

REPORT OF THE DIRECTORS

The directors present their report and the annual audited financial statements of the Company for the year ended March 31, 2015, which were approved by them at the board meeting held on the date of this report.

PRINCIPAL ACTIVITY

The principal activity of the Company is trading of garment.

FINANCIAL RESULTS

The results of the Company for the year ended March 31, 2015 and the financial position of the Company as at that date are set out in the annexed financial statements.

DIVIDEND

The directors do not recommend any payments of any dividends for the year.

PLANT AND EQUIPMENT

Movements in plant and equipment are set out in Note (12) to the financial statements.

DIRECTORS

The name of persons who were the directors of the Company during the period beginning with the end of the financial year and ending on the date of this report are as follows:

Pallak SETH
Omprakash MAKAM SURYANARAYAN SETTY
Deepak Kumar SETH(appointed on May 2, 2014)

In accordance with Article 7 of the Company's Articles of Association, the directors retire and, being eligible, offer themselves for re-election.

PERMITTED INDEMNITY PROVISION

At no time during the financial year were there any permitted indemnity provisions in force for the benefit of one or more directors of the Company, holding company or fellow subsidiaries.

At the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company, holding company or fellow subsidiaries.

BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review for this financial year.

DIRECTORS' INTEREST

Except for the related party transactions as disclosed in Note (21) to the financial statements, no contracts of significance to which the Company, any of its holding companies or its fellow subsidiaries was a party and in which the director had a material interest subsisted at the end of the year or at any time during the year. At no time during the year was the Company, any of its holding companies or its fellow subsidiaries a party to any arrangements to enable the director of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or other body corporate.

AUDITORS

The Company's auditors, Messrs. Louis Lai & Luk CPA Limited, retire and, being eligible, offer themselves for re-appointment.

By Order of the Board
Sd/-
Pallak SETH
Chairman
Hong Kong, May 20, 2015.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF
POETICGEM INTERNATIONAL LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the financial statements of Poeticgem International Limited (the "Company") set out on pages 5 to 24, which comprise the statement of financial position as at March 31, 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with sections 405-407 of the Hong Kong Companies Ordinance (Cap.622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, including the assessment of the risks 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 entity's preparation and presentation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosure made in Note (2c) to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. The financial statements have been prepared on a going concern basis, the validity of which depends upon ongoing support from the Company's holding company and fellow subsidiary and the attaining of profitable and positive cash flow operations, and the Company may turn to a commercially viable concern. The financial statements do not include any adjustments that may be necessary should the implementation of such measures become unsuccessful.

We consider that appropriate disclosures have been made and our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Company as at March 31, 2015 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

Louis Lai & Luk CPA Limited
Certified Public Accountants
Luk Wing Hay
Practising Certificate Number P01623
Hong Kong, May 20, 2015.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2015

	NOTES	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
REVENUE(6)		4,572,071	–
COST OF SALES		(4,025,323)	-
GROSS PROFIT		546,748	–
OTHER INCOME AND GAINS	(6)	925,616	5
STAFF COSTS		(3,345,277)	–
DEPRECIATION		(2,812)	-
OTHER OPERATING EXPENSES		(3,761,090)	(81,110)
LOSS FROM OPERATION		(5,636,815)	(81,105)
FINANCE COSTS	(7)	(3)	-
LOSS BEFORE TAXATION	(8)	(5,636,818)	(81,105)
TAXATION	(11)	-	-
LOSS FOR THE YEAR/PERIOD		(5,636,818)	(81,105)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE YEAR/PERIOD		(5,636,818)	(81,105)

Poeticgem International Limited

THE NOTES ON PAGES 9 TO 24 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

	NOTES	2015 HK$	2014 HK$
ASSETS			
Non-Current Assets			
Plant and equipment	(12)	17,436	–
Current Assets			
Deposit		136,150	–
Amounts due from fellow subsidiaries	(13)	556,271	–
Trade and other receivable	(14)	4,555,102	–
Bank balances		1,130,237	500,961
		6,377,760	500,961
Current Liabilities			
Amount due to a fellow subsidiary	(15)	7,535,289	497,266
Trade and other payable	(16)	4,500,030	7,000
		12,035,319	504,266
Net Current Liabilities		(5,657,559)	(3,305)
NET LIABILITIES		(5,640,123)	(3,305)
Represented by:			
CAPITAL AND RESERVES			
Share capital	(17)	77,800	77,800
Accumulated losses		(5,717,923)	(81,105)
SHAREHOLDER'S DEFICIT		(5,640,123)	(3,305)

APPROVED BY THE BOARD OF DIRECTORS ON MAY 20, 2015 AND SIGNED ON BEHALF OF THE BOARD BY:

Sd/-

Pallak SETH

Omprakash MAKAM SURYANARAYAN SETTY

Director

Director

THE NOTES ON PAGES 9 TO 24 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2015

	Share Capital HK$	Accumulated Losses HK$	Total HK$
Issuance of share capital	77,800	-	77,800
Total comprehensive expense for the period	–	(81,105)	(81,105)
At March 31, 2014	77,800	(81,105)	(3,305)
Total comprehensive expense for the year	-	(5,636,818)	(5,636,818)
At March 31, 2015	77,800	(5,717,923)	(5,640,123)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2015

	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,636,818)	(81,105)
Adjustments for:		
Bank interest income	(16)	(5)
Depreciation	2,812	-
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(5,634,022)	(81,110)
Increase in deposit	(136,150)	–
Increase in amount due from fellow subsidiaries	(556,271)	–
Increase in trade and other receivable	(4,555,102)	–
Increase in amount due to a fellow subsidiary	7,038,023	497,266
Increase in trade and other payable	4,493,030	7,000
CASH GENERATED FROM OPERATIONS	649,508	423,156
Bank interest received	16	5
Net cash generated from operating activities	649,524	423,161
CASH FLOW FROM INVESTING ACTIVITIES		
Payments to purchase plant and equipment and net cash used in investing activities	(20,248)	–
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital and net cash generated from financing activities	-	77,800
NET CHANGE IN CASH AND CASH EQUIVALENTS	629,276	500,961
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	500,961	-
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	1,130,237	500,961

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

Poeticgem International Limited was incorporated in Hong Kong as a limited liability company. The principal activity of the Company is trading of garment. The address of its registered office is 9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong. The directors consider that the immediate holding company is Multinational Textile Group Limited, a company incorporated in Mauritius. During the year, the share capital of the immediate holding company was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited which became the Company's new ultimate holding company. The ultimate holding company was incorporated in India and its shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

2. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Preparation

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS(s)") (which also include Hong Kong Accounting Standards ("HKAS(s)") and Interpretations ("Int(s)")) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention and are presented in Hong Kong dollars ("HK$"), which is also the Company's functional and presentation currency.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note (5) to the financial statements.

In 2015, the Company adopted the new and revised HKFRSs below, which are relevant to its operations.

• HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investments Entities
• HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
• HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
• HKAS 39 (Amendments)	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
• HK (IFRIC) - Int 21	Levies

The adoption of the above HKFRSs has had no material impact on the principal accounting policies of the Company and the methods of computation in the Company's financial statements. As such, no 2014 comparatives have been amended as a result from adopting the captioned HKFRSs.

b. Impact of issued but not yet effective HKFRSs

The Company has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

• HKFRSs (Amendments)	Annual improvements to HKFRSs 2010-2012 Cycle (2)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2011-2013 Cycle (1)
• HKFRSs (Amendments)	Annual improvements to HKFRSs 2012-2014 Cycle (4)
• HKFRS 9	Financial Instruments (6)
• HKFRS 14	Regulatory Deferral Accounts (3)
• HKFRS 15	Revenue from Contracts with Customers (5)
• HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 (6)
• HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations (4)
• HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation (4)
• HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants (4)
• HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions (1)
• HKAS 27 (Amendments)	Equity Method in Separate Financial Statements (4)
• HKAS 28 and HKFRS 10 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)

Notes:

(1) Effective for annual periods beginning on or after July 1, 2014.

(2) Effective for annual periods beginning on or after July 1, 2014, with limited exceptions.

(3) Effective for first annual HKFRS financial statements beginning on or after January 1, 2016.

(4) Effective for annual periods beginning on or after January 1, 2016.

(5) Effective for annual periods beginning on or after January 1, 2017.

(6) Effective for annual periods beginning on or after January 1, 2018.

The directors anticipate that all of the above new and revised standards, amendments or interpretations will be adopted in the Company's financial statements for the period commencing April 1, 2015 and that the adoption of those new and revised standards, amendments or interpretations will have no material impact on the financial statements of the Company.

c. <u>Going Concern</u>

The holding company and fellow subsidiary have confirmed their willingness to provide such financial assistance as is necessary to maintain the Company as a going concern. On the strength of this assurance, the financial statements have been prepared on a going concern basis.

d. <u>Plant and Equipment</u>

Plant and equipment are stated at cost less accumulated depreciation and aggregate identified impairment loss, if any.

Depreciation is provided to write off the cost less residual value of plant and equipment over its expected useful lives.

Office equipment	3 years

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

The gain or loss on disposal of plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the Statement of Comprehensive Income.

When assets are sold or otherwise disposed of, their carrying amounts are written off from the financial statements and any resulting gain or loss is included in the Statement of Comprehensive Income.

e. <u>Impairment of Assets</u>

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

f. <u>Financial Instruments</u>

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

g. <u>Financial Assets</u>

The Company's financial assets are only classified under loans and receivables category.

h. <u>Loans and Receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortized cost using effective interest method, less any identified impairment losses. An impairment loss is recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the assets recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

i. <u>Financial Liabilities</u>

Financial liabilities of the Company are classified, at initial recognition, as loans and borrowings or derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company's financial liabilities comprise trade and other payables and amount due to a fellow which are subsequently measured at amortized cost, using the effective interest method.

j. <u>Equity Instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The Company's equity instrument represents its issued share capital and is recorded at the share subscription received/ receivable at the date of issuance of shares.

Poeticgem International Limited

k. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

l. Translation of Foreign Currency

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Hong Kong Dollars ("HK$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

m. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable loss for the year. Taxable loss differs from net loss as reported in the Statement of Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable loss, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable loss will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of specific assets and liabilities in a transaction that affects neither the tax loss nor the accounting loss.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Statement of Comprehensive Income.

n. Turnover

Turnover represents invoiced amount of sales less discounts and returns.

o. Recognition of Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the bases as follows:

- Revenue from sales of goods is recognised when the goods are delivered to buyer.
- Interest income from bank deposit is accrued on a time proportion basis on the principal outstanding and at the rate applicable.
- Management fee income is recognised in the year when services are rendered.

p. Borrowing Costs

Interest and other borrowing costs incurred in connection with the borrowing of funds are recognised as expenses in the period in which they are incurred.

q. Bank Borrowings

Interest bearing bank loans and overdrafts are initially measured as fair value, and are subsequently measured at amortized cost, using the effective interest method. Any difference between the proceeds (net of transaction costs, if any) and the settlement or redemption of borrowings is recognised over the terms of borrowings in accordance with the Company's policy for borrowing cost as stated in the preceding note.

r. Operating Leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the relevant lease.

s. Employee Benefits

Employee benefits are all forms of considerations, including wages, salaries, allowances and contribution to retirement benefit scheme payable by the Company in exchange for services rendered by its employees and directors. The employee benefits are classified as staff costs and charged to the Statement of Comprehensive Income.

No provision on employee entitlements to annual leave is provided in the consolidated financial statements as the directors consider that no material liability would arise as a result of such entitlement in the near future. Sick leave and maternity leave are not recognised until the time of leave.

t. 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. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements.

u. Related Parties

A related party is a person or entity that is related to the Company.

(A) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or a parent of the Company.

(B) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

v. Financial Risks

The financial risks in connection with the Company's financial instruments include risks as follows.

(i) Market risk includes three types of risk as below:

- Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.
- Fair value interest rate risk: the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.
- Price risk: the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. Market risk embodies not only the potential for loss but also the potential for gain.

(ii) Credit risk: the risk that the corresponding party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

(iii) Liquidity risk (also referred to as funding risk): the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

(iv) Cash flow interest rate risk: the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

3. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

(i) To safeguard the Company's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Company's stability and growth; and

(iii) To provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Company. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risks are limited by the financial management policies and practices described below.

(a) Credit risk

The Company has no significant concentrations of credit risk because it has no financial assets.

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. As the fellow subsidiary and shareholder have confirmed the willingness to provide continuous financial support to the Company, the directors are of the opinion that the Company is adequately protected from the liquidity risk.

(c) Cash flow and fair value interest rate risk

The Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

5. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate of fair values of current assets and liabilities

The nominal value of current assets and liabilities are assumed to approximate their fair values.

6. REVENUE, OTHER INCOME AND GAINS	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
Revenue recognised during the year/period are as follows:		
Turnover:		
Sales of goods	4,572,071	–
Other income and gains, net:		
Bank interest income	16	5
Management fee income	925,600	-
	925,616	5
Total revenue recognised	5,497,687	5

7. FINANCE COST

Bank overdraft interest	3	–
	=======	=====

8. LOSS BEFORE TAXATION

Loss before taxation is stated after charging:		
Depreciation	2,812	–
Exchange differences, net	103,826	–
Rental payment under operating leases	775,302	–
Staff costs		
– Staff salaries	3,341,445	–
– Staff welfare	3,382	-

9. DIRECTORS' REMUNERATION, LOANS AND OTHER MATERIAL INTERESTS

(i) Remuneration of the directors of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
Emoluments:		
Acting as directors	–	–
Provision for management services	-	-
	–	–

(ii) Loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

Loans, quasi-loans and credit transactions entered into by the Company for a director of the Company or of its holding company or a controlled body corporate of such a director

In the opinion of the directors, the directors or shadow directors, if any, of the Company had no material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company or another company in the same group of companies or subsisted during the year.

Guarantee or security in connection with loans, quasi-loans and credit transactions

In the opinion of the directors, the directors or shadow directors, if any, of the Company had no material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company or another company in the same group of companies or subsisted during the year.

10. AUDITOR'S REMUNERATION

Auditor's remuneration and expenses for the year disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follow:

	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
Auditor's remuneration	23,150	12,000
Auditor's expenses	550	-
	23,700	12,000

11. TAXATION

No Hong Kong profits tax has been provided in the financial statements as the Company made no estimated assessable profits for the year.

The tax charge for the year can be reconciled to the loss per Statement of Comprehensive Income as follows:

	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
Loss before taxation	(5,636,818)	(81,105)
Tax at the domestic income tax rate	(930,075)	(13,382)
Tax effect of expenses that are not deductible in determining taxable profit	–	1,205
Tax effect of income that are not taxable in determining taxable profit	(3)	(1)
Net tax allowance claimed	(1,808)	–
Tax loss not yet recognised	931,886	12,178
Taxation expense for the year/period	–	–

At the end of reporting period, the Company has unused tax losses of HK$5,647,791 (2014: HK$Nil) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. Tax losses maybe carried forward indefinitely.

12. PLANT AND EQUIPMENT

	Office equipment HK$
Cost	
Additions and at 31/3/2015	20,248
Aggregate Depreciation	

Poeticgem International Limited

Charges for the year and at 31/3/2015	2,812
Net Book Value	
At 31/3/2015	17,436
At 31/3/2014	-

13. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

The amounts due from fellow subsidiaries are unsecured, interest free and have no fixed repayment terms. No provisions for bad and doubtful debts have been recognised on the amounts due. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

14. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$	HK$
Trade receivables (Note (i))	4,538,171	–
Other receivables	16,931	-
	4,555,102	–

(i) Aging analysis of trade receivables is as follows:

Neither past due nor impaired	4,538,171	–

Trade receivables are due within 90 days from date of billing.

15. AMOUNT DUE TO A FELLOW SUBSIDIARY

The amount due to a fellow subsidiary is unsecured, interest-free and has no fixed terms of repayment. The fellow subsidiary agreed not to demand repayment of the amount due until the Company is financially capable of repayment. The nature of consideration to be provided for settlement is expected to be cash or cash equivalents.

16. TRADE AND OTHER PAYABLES

	2015	2014
	HK$	HK$
Trade payables (Note (i))	3,810,674	–
Accruals	7,400	7,000
Other payables	681,956	-
	4,500,030	7,000

(i) Maturity of the trade payables is as follows:

Due for payment:		
Not later than one year	3,810,674	–

17. SHARE CAPITAL

	2015		2014	
	No. of shares	Amount HK$	No. of shares	Amount HK$
Issued and fully paid:				
Ordinary shares of US$1 each				
At March 31	10,000	77,800	10,000	77,800

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18. OPERATING LEASE COMMITMENTS

At the end of reporting period, the Company had the outstanding commitments under its non-cancellable operating leases, which fall due as follows:

	2015	2014
	HK$	HK$
Within one year	254,346	–
In the second to fifth years inclusive	-	-
	254,346	–

Operating lease payments represent rental payments payable by the Company for its leased premises. Leases are negotiated for an averaged term one year.

19. CONTINGENT LIABILITIES

(a) The Company had the following contingent liabilities not provided for in the financial statements at the end of reporting period:

Irrevocable letters of credit	7,469,519	–

(b) At the end of reporting period, there were mutual guarantees between the Company and its fellow subsidiary.

20. CURRENCY RISK

(i) Exposure to currency risk

The following table details the Company's exposure at the end of reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the Company to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of reporting period.

(Expressed in HK$)

	2015				
	USD	EUR	GBP	BDT	Total
Trade and other receivables	4,328,447	209,724	–	16,931	4,555,102
Bank and cash balances	113,095	–	5,780	950,777	1,069,652
Trade and other payables	(3,810,674)	-	-	(681,956)	(4,492,630)
Net exposure arising from recognised assets and liabilities	630,868	209,724	5,780	285,752	1,132,124
Trade and other receivables	–	–	–	–	–
Bank and cash balances	46,365	–	5,918	375,231	427,514
Trade and other payables	-	-	-	-	-
Net exposure arising from recognised assets and liabilities	46,365		5,918	375,231	427,514

(ii) Sensitivity analysis

The following table indicates the approximate change in the Company's profit/loss after tax in response to reasonably possible changes (e.g.?10%) in the foreign exchange rates to which the Group has significant exposure at the end of reporting period.

	2015		2014	
	Increase HK$	Decrease HK$	Increase HK$	Decrease HK$
Euro Dollars (EUR)	17,512	(17,512)	–	–
British Pound (GBP)	483	(483)	494	(494)
Bangladeshi Taka (BDT)	23,860	(23,860)	31,332	(31,332)
	41,855	(41,855)	31,826	(31,826)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to the Company's exposure to currency risk for the variables.

The stated changes represent Management's assessment of reasonably possible change in foreign exchange rates over the period until the next annual reporting period. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any change in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on Company's profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2014.

Poeticgem International Limited

21. RELATED PARTY TRANSACTIONS

During normal course of business, the Company had the following transactions with the related parties below.

Name	Relationship	Nature of transactions	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
PDS Asia Star Corporation Ltd.,	Fellow subsidiary	– Amount due from	14,213	–
Hong Kong		– Management fee		
		income	103,457	–
Poeticgem Ltd., UK	Fellow subsidiary	– Amount due from	17,976	–
		– Management fee		
		income	238,824	–
Norwest Industries Ltd.,	Fellow subsidiary	– Amount due to	(7,535,289)	(497,266)
Hong Kong		– Management fee		
		income	59,237	–
DPOD Manufacturing Ltd.,	Fellow subsidiary	– Amount due from	524,082	–
Hong Kong		– Management fee		
		income	524,082	–
			=======	======

22. BANKING FACILITIES

General banking facilities granted by a bank were secured by the fellow subsidiaries' cash deposit, immediate holding company's corporate guarantee and directors' personal guarantee.

23. COMMENCEMENT OF BUSINESS

The Company commenced business on March 9, 2015.

24. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by the Company's Board of Directors on May 20, 2015.

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED MARCH 31, 2015
(FOR MANAGEMENT INFORMATION ONLY)

	1/4/2014 –31/3/2015 HK$	27/9/2013 –31/3/2014 HK$
SALES	4,572,071	–
COST OF SALES		
Purchases	4,025,323	-
GROSS PROFIT	546,748	–
OTHER INCOME		
Bank interest income	16	5
Management fee income	925,600	-
	1,470,364	5
OPERATING EXPENSES		
Depreciation Expenses		
Depreciation	2,812	–
Finance Costs		
Bank overdraft interest	3	–
Staff Costs		
Staff salaries	3,341,445	–
Staff welfare	3,832	-
	3,345,277	–
Other Operating Expenses		
Auditor's remuneration	23,150	12,000
Bank charges	27,789	399
Business registration fee	2,250	250
Cleaning expenses	50,456	–
Communication expense	2,688	–
Courier expenses	1,179,878	–
Entertainment	42,011	–
Exchange difference	103,826	13,977
Incorporation fee	–	7,300
Insurance	13,867	–
Legal and professional fee	32,033	46,045
Mobile phones expenses	47,844	–
Printing and stationery	120,485	–
Rates	123,289	–
Rent	848,319	–
Repair and maintenance	62,001	–
Security charges	80,752	–
Sundry expenses	84,323	1,139
Telephone expenses	62,512	–
Testing charges	682	–
Travelling expense	614,792	–
Utilities	102,929	–
Vehicle fuel	121,939	–
Visa expenses	13,275	-
	3,761,090	81,110
	7,109,182	81,110
LOSS BEFORE TAXATION	(5,636,818)	(81,105)

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

LOUIS LAI & LUK CPA LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

Nor France Manufacturing Company Limited

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 2015.

Principal activities

The principal activity of the Company was the trading of garments. Details of the principal activities of the Company's subsidiary are set out in note 11 to the financial statements.

Results

The Group's results for the year ended 31 March 2015 and the state of affairs of the Company and the Group are set out in the financial statements on pages 5 to 31.

Property, plant and equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year is set out in note 10 to the financial statements.

Directors

The directors of the Company during the year were:

Deepak Kumar Seth

Pallak Seth

Faiza Habeeb Seth

In accordance with Company's articles of association, all directors will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' interests

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiary, holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiary, holding companies or fellow subsidiaries was a party during the year.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Sd/-

[Name of Chairman]

Hong Kong

19 May 2015

We have audited the consolidated financial statements of NOR France Manufacturing Company Limited (the "Company") and its subsidiary (together, the "Group") set out on pages 5 to 31, which comprise the consolidated and company statements of financial position as at 31 March 2015, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated 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, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 March 2015, and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

19 May 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
REVENUE	4	3,260,907	977,001
Cost of sales		(2,750,050)	(921,876)
Gross profit		510,857	55,125
Other income and gain, net	4	133,477	244,236
Selling and distribution costs		(132,632)	(159,256)
Administrative expenses		(354,787)	(4,708,098)
Other operating expenses		(46,641)	(15,976)
Finance costs	7	(6,755)	(4,039)
LOSS BEFORE TAX	5	(103,519)	(4,588,008)
Income tax expense	8	–	–
LOSS FOR THE YEAR		(103,519)	(4,588,008)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	2015 HK$	2014 HK$
LOSS FOR THE YEAR	(103,519)	(4,588,008)
OTHER COMPREHENSIVE LOSS		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of a foreign operation	(9,309)	(154,521)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	(9,309)	(154,521)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(112,828)	(4,742,529)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Property, plant and equipment	10	–	37,259
Deposit	12	–	55,704
Total non-current assets		–	92,963
CURRENT ASSETS			
Prepayments and deposits	12	–	251,126
Due from non-controlling shareholders	17(b)	116,700	194,500
Cash and cash equivalents		93,821	567,333
Total current assets		210,521	1,012,959

CURRENT LIABILITIES			
Other payables and accruals	13	53,376,122	558,617
Due to the immediate holding company	17(b)	–	5,659,956
Due to fellow subsidiaries	17(b)	–	147,160
Total current liabilities		5,376,122	6,365,733
NET CURRENT LIABILITIES		(5,165,601)	(5,352,774)
Net liabilities		(5,165,601)	(5,259,811)
EQUITY			
Share capital	14	778,000	778,000
Reserves	15(a)	(5,943,601)	(6,037,811)
Net deficiency in assets		(5,165,601)	(5,259,811)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

	Not	Issued capital HK$	Exchange reserve HK$	Accumulated losses HK$	Net deficiency in assets HK$
At 31 March 2013 and at 1 April 2013	14	778,000	(316)*	(1,294,966)*	(517,282)
Loss for the year		–	–	(4,588,008)	(4,588,008)
Other comprehensive loss for the year					
Exchange differences on translation of a foreign operation		–	(154,521)	–	(154,521)
Total comprehensive loss for the year		–	(154,521)	(4,588,008)	(4,742,529)
At 31 March 2014 and at 1 April 2014		778,000	(154,837)*	(5,882,974)*	(5,259,811)
Loss for the year		–	–	103,519	103,519
Other comprehensive loss for the year:					
Exchange differences on translation of a foreign operation		–	(9,309)	–	(9,309)
Total comprehensive loss for the year		–	(9,309)	103,519	94,210
At 31 March 2015		778,000	(164,146)*	(5,779,455)*	(5,165,601)

* These reserve accounts comprise the deficit of reserves of HK$5,943,601 (2014: HK$6,037,811) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	2015 HK$	2014 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		103,519	(4,588,008)
Adjustments for:			
Depreciation	5	4,699	15,976
Finance costs	7	6,755	4,039
Write-off of fixed assets		23,683	–
		138,656	(4,567,993)
Increase in prepayments and deposits		384,961	(196,693)
Increase/(decrease) in other payables and accruals		(1,002,005)	252,870
Decrease/(increase) in an amount due to the immediate holding company		–	4,524,219
Increase in amounts due to fellow subsidiaries –		147,160	
Net cash flows from/(used in) operating activities		(478,388)	159,563
Purchases of items of property, plant and equipment	10	–	(53,755)
Proceeds from disposal of items of plant and equipment		4,765	–
Net cash inflow/ (outflow) from investing activities		4,765	(53,755)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(6,755)	(4,039)
Net cash flows from/(used in) financing activities		(6,755)	(4,039)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(480,378)	101,769
Cash and cash equivalents at beginning of year/period		567,333	440,582
Effect of foreign exchange rate changes, net		6,866	24,982
CASH AND CASH EQUIVALENTS AT END OF YEAR		93,821	567,333
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Bank balances		93,821	567,333

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$	2014 HK$
NON-CURRENT ASSETS			
Investment in a subsidiary	11	101,140	101,140
CURRENT ASSETS			
Due from a subsidiary	17(b)	4,568,587	4,319,627
Due from non-controlling shareholders	17(b)	116,700	194,500
Cash and cash equivalents		67,988	366,838
Total current assets		4,753,275	4,880,965
CURRENT LIABILITIES			
Other payables and accruals	13	47,119	32,900
Due to the immediate holding company	17(b)	5,295,938	5,659,956
Due to fellow subsidiaries	17(b)	33,065	147,160
Total current liabilities		5,376,122	5,840,016
NET CURRENT LIABILITIES		(622,847)	(959,051)
Net liabilities		(521,707)	(857,911)
EQUITY			
Issued capital	14	778,000	778,000
Reserves	15(b)	(1,299,707)	(1,635,911)
Net deficiency in assets		(521,707)	(857,911)

1. CORPORATE INFORMATION

NOR France Manufacturing Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.

During the year, the Group was principally involved in the trading of garments and investment holding.

The Company is a subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. On 13 May 2014, the share capital of Multinational Textiles Group Limited, an intermediate holding company of the Company, was transferred from Pearl Global Industries Limited to PDS Multinational Fashions Limited ("PDS Multinational"). In the opinion of the directors, the Company's ultimate holding company subsequent to the said share capital transfer, was PDS Multinational, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

These financial statements have been prepared on the going concern basis, notwithstanding that the Group had net current liabilities and net liabilities at the end of the reporting period, as the Group's immediate holding company has agreed to provide adequate funds for the Group to meet its liabilities as and when they fall due.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention and are presented in Hong Kong dollars ("HK$"), which is also the Company's functional and presentation currency.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary (collectively referred to as the "Group") for the year ended 31 March 2015. The financial statements of its subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. The results of its subsidiary are consolidated from the date of incorporation/acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in the profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to the profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets of liabilities.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Certain new and revised HKFRSs are effective for the first time during the current financial year but are not applicable to the Company, and accordingly, they have had no impact on the Company's financial statements for the year ended 31 March 2015.

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) came into effect for the first time, during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the period from 18 December 2012 (date of incorporation) to 31 March 2014 and the year ended 31 March 2015, in these financial statements. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of its subsidiary are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investment in a subsidiary is stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not fall within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	20%
Computer equipment	33-1/3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant including equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include other payables and accruals, amounts due to the immediate holding company and fellow subsidiaries.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and bank balances comprise cash at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the income statement is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliablyfrom the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Employee benefits

Retirement benefit costs

The Group operates a mandatory provident fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which is based in France are required to participate in central pension schemes operated by the local government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

These financial statements are presented in HK$, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values were measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or the profit or loss, respectively).

The functional currency of an overseas subsidiary is a currency other than HK$. As at the end of the reporting period, the assets and liabilities of the subsidiary are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and its statement of profit or loss is translated into HK$ at the weighted average exchange rate for the period. The resulting exchange differences are recognised in other comprehensive income and are accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of an overseas subsidiary are translated into HK$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiary which arise throughout the period are translated into HK$ at the weighted average exchange rate for the period.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold.

An analysis of the Group's other income and gains is as follows:

	2015 HK$	2014 HK$
Compensation from suppliers for late shipments	15,401	32,321
Foreign exchange differences, net	5,623	154,958
Others	112,453	56,957
	133,477	244,236

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2015 HK$	2014 HK$
Cost of inventories sold	2,750,050	921,876
Auditors' remuneration	32,900	64,023
Depreciation	4,699	15,976
Staff costs (excluding directors' remuneration (note 6)):		
Salaries and allowances	–	2,176,360
Pension scheme contributions (defined contribution schemes)	–	882,381
	–	3,058,741
Minimum lease payments under operating leases of land and buildings	120,132	215,783
Foreign exchange differences, net	36,319	(154,958)

6. DIRECTORS' REMUNERATION

No directors received any fees or emoluments in respect of their services rendered to the Company during the period/year.

7. FINANCE COSTS

	2015 HK$	2014 HK$
Interest on bank overdraft	6,755	3,135
Bank charges arising from letters of credit	–	904
	6,755	4,039

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits in Hong Kong during the year (2014: Nil).

A reconciliation of the tax credit applicable to loss before tax at the statutory rates for the jurisdictions in which the Group is domiciled to the tax charge at the Group's effective tax rate is as follows:

Year ended 31 March 2015

	Hong Kong HK$	France HK$	Total HK$
Profit/ (Loss) before tax	336,204	(232,685)	103,519
Tax at the applicable tax rate	55,474	(77,554)	(22,080)
Income not subject to tax	(55,474)	–	(55,474)
Tax losses not recognised	–	77,554	77,554
Tax at the effective rate	–	–	–

Year ended 31 March 2014

	Hong Kong HK$	France HK$	Total HK$
Loss before tax	(665,718)	(3,922,290)	(4,588,008)
Tax at the applicable tax rate	(109,843)	(1,307,299)	(1,417,142)
Tax losses not recognised	109,843	1,307,299	1,417,142
Tax at the effective rate	–	–	–

There was no significant unprovided deferred tax charge in respect of the year and as at the end of the reporting period (2014: Nil).

9. LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated loss attributable to owners of the parent for the year ended 31 March 2015 includes a profit of HK$336,204 (March 2014: HK$665,718) which has been dealt with in the financial statements of the Company (note 15(b)).

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Furniture and fixtures HK$	Computer equipment HK$	Total HK$
Cost			
At 31 March 2014	15,501	38,254	53,755
At 1 April 2014	15,501	38,254	53,755
Additions during the year	–	–	–
Disposal during the year	(14,804)	(36,534)	(51,338)
Exchange realignment	(697)	(1,720)	(2,417)
At 31 March 2015	–	–	–
Accumulated depreciation			
At 31 March 2014	–	–	–
Charge for the year	(3,117)	(13,379)	(16,496)
At 1 April 2014	(3,117)	(13,379)	(16,496)
Charged for the year	(915)	(3,784)	(4,699)
Disposal during the year	3,688	15,687	19,375
Exchange realignment	344	1,476	1,820
At 31 March 2015	–	–	–
Net book value at 31 March 2015	-	–	–
Net book value at 31 March 2014	12,384	24,875	37,259

11. INVESTMENT IN A SUBSIDIARY

	Company 2015 HK$	2014 HK$
Unlisted shares, at cost	101,140	101,140

Particulars of the Company's subsidiary as at 31 March 2014 and 2015 are as follows:

Name and operations	Place of incorporation/ registration share capital	Nominal value of issued ordinary/ registered the Company	Percentage of equity directly attributable to activities	Principal
NOR France SAS *	France	EURO ("EUR") 10,000	100%	Trading of garment products

*Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst &Young global network.

12. PREPAYMENTS AND DEPOSITS

	Group 2015 HK$	Group 2014 HK$	Company 2015 HK$	Company 2014 HK$
Prepayments	–	251,126	–	–
Deposits	–	55,704	–	–
	–	306,830	–	–
Less: Portion classified as non-current assets	–	(55,704)	–	–
	–	251,126	–	–

Nor France Manufacturing Company Limited

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

13. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015	2014	2015	2014
	HK$	HK$	HK$	HKI$
Accruals	32,900	65,037	32,900	32,900
Accrued employee benefits	14,219	459,139	14,219	–
Other payables	5,329,003	–	–	
	53,376,122	558,617	47,119	32,900

Other payables are non-interest-bearing and have an average term of three months.

14. SHARE CAPITAL

	2015	2014
	HK$	HK$
Authorised, issued and fully paid:		
100,000 ordinary shares of US$1 each	778,000	778,000

On incorporation, the Company's authorised share capital was US$100,000 divided into 100,000 ordinary shares of US$1 each and 100,000 ordinary shares were issued at par for cash as the subscriber's shares.

15. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current year and the prior period are presented in the consolidated statement of changes in equity on page 8 of the financial statements.

(b) Company

	Accumulated losses
	HK$
At 31 March 2014 and at 1 April 2014	(1,635,911)
Loss and total comprehensive loss for the year	336,204
At 31 March 2015	(1,299,707)

16. OPERATING LEASE ARRANGEMENTS

The Group leases an office premise under an operating lease arrangement and the lease is negotiated for an original term of three years.

At the end of the reporting period, the Group had total future minimum lease payments under a non-cancellable operating lease falling due as follows:

	2015	2014
	HK$	HK$
Within one year	–	222,814
In the second to fifth years, inclusive	–	207,241
	–	430,055

17. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year/period:

	Notes	Year ended 31 March 2015	Year ended 31 March 2014
		HK$	HK$
Intermediate holding company:			
Management fees paid	(i)	–	88,505
Immediate holding company:			
Commissions paid	(ii)	(11,236)	46,859
Fellow subsidiaries:			
Consulting fees paid	(iii)	28,589	244,883

Notes:

(i) The management fees paid were based on terms mutually agreed between the Group and the intermediate holding company.

(ii) The commissions paid were based on terms mutually agreed between the Group and the immediate holding company.

(iii) The consulting fees paid were based on terms mutually agreed by the Groupand the respective related parties.

(b) The balances with the immediate holding company, fellow subsidiaries, non-controlling shareholders and a subsidiary are unsecured, interest-free and have no fixed terms of repayment.

18. FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets of the Group and the Company comprise deposits, amounts due from non-controlling shareholders and a subsidiary, and cash and cash equivalents which are categorised as loans and receivables. The carrying amounts of these financial assets are the amounts shown on the consolidated and company statements of financial position or in the corresponding notes to the financial statements. The financial liabilities of the Group and the Company comprise other payables and accruals, and amounts due to the immediate holding company and fellow subsidiaries which are categorised as financial liabilities at amortised cost. The carrying amounts of these financial liabilities are the amounts shown on the consolidated and company statements of financial position or in the corresponding notes to the financial statements.

19. FAIR VALUE

At the end of the reporting period, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximated to their fair values.

The fair values of financial assets and liabilities are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of deposits, amounts due from non-controlling shareholders and a subsidiary, cash and cash equivalents, financial liabilities included in other payables and accruals, and amounts due to the immediate holding company and fellow subsidiaries approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Group and the Company did not have any financial assets and liabilities measured at fair value as at the end of each reporting period.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's exposure to foreign currency risk, credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Group's financial management policies and practices described below:

Foreign currency risk

The Group has transactional currency exposures. Such exposures mainly arise from sales or purchases in currencies (mainly EUR) other than the functional currency of the Group. The Group manages its foreign currency risk by monitoring closely the movements in exchange rates.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the EUR exchange rate, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in the EUR exchange rate	Decrease/ (increase) in loss before tax	Increase/ (decrease) in equity
	%	HK$	HK$
31 March 2015			
If HK$ weakens against EUR	1	338	338
If HK$ strengthens against EUR	(1)	(338)	(338)
31 March 2014			
If HK$ weakens against EUR	1	(1,896)	(1,896)
If HK$ strengthens against EUR	(1)	1,896	1,896

Credit risk

The carrying amounts of deposits, amounts due from non-controlling shareholders and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets. The Group's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. The Group has policies in place to evaluate credit risk when accepting new businesses and to limit its credit exposure to individual customers.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of working capital deemed adequate, and maintains a balance between continuity and flexibility of funding from group companies.

The Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, either have no fixed terms of repayment or are repayable within three months subsequent to the end of the reporting period.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2014 and year ended 31 March 2015.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on

[Date].

Krayons Sourcing Limited

REPORT OF THE DIRECTORS

The directors present their first report and the audited financial statements of the Company for the period from 16 December 2014 (date of incorporation) to 31 March 2015.

Principal activity

The Company was inactive during the current period.

Change of company name

Pursuant to a resolution of the sole shareholder passed on 26 February 2015, the name of the Company was changed from Sourcing Solutions HK Limited to Krayons Sourcing Limited. The change of name was effective on 4 March 2015.

Results

The Company's loss for the period from 16 December 2014 (date of incorporation) to 31 March 2015 and its state of affairs as at 31 March 2015 are set out in the financial statements on pages 5 to 16.

Directors

The directors of the Company during the period were:

Pallek Seth (appointed on 16 December 14)

Deepak Kumar Seth (appointed on 16 December 14)

There being no provision in the Company's articles of association for the retirement of the directors who will continue in office for the ensuing period.

Directors' interests

At no time during the period was rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Directors' interests in transactions, arrangements or contracts

The directors had no material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company or any of its holding companies or fellow subsidiaries was a party during the period.

Auditors

Ernst & Young were appointed by the directors as the Company's first auditors. Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Sd/-

Pallek Seth

Hong Kong

11 June 2015

Independent auditors' report

To the member of Krayons Sourcing Limited

(Formerly known as Sourcing Solutions HK Limited)

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Krayons Sourcing Limited (the "Company") set out on pages 5 to 16, which comprises the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income and the statement of changes in equity for the period from 16 December 2014 (date of incorporation) to 31 March 2015, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance for the period from 16 December 2014 (date of incorporation) to 31 March 2015, in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Certified Public Accountants

Hong Kong

11 June 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 16 December 2014 (date of incorporation) to 31 March 2015

	Notes	HK$
ADMINISTRATIVE EXPENSES AND LOSS BEFORE TAX	4	(15,100)
Income tax expense	7	-
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(15,100)

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	HK$
CURRENT ASSET		
Other receivable	8	72,700
CURRENT LIABILITY		
Accrual		10,000
Net assets		62,700
EQUITY		
Share capital	9	77,800
Accumulated loss		(15,100)
Total equity		62,700

....

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Pallek Seth Deepak Kumar Seth

STATEMENT OF CHANGES IN EQUITY

Period from 16 December 2014 (date of incorporation) to 31 March 2015

	Note	Share capital HK$	Accumulated loss HK$	Total equity HK$
Issue of shares on incorporation	10	77,800	-	77,800
Loss and total comprehensive loss for the period	-	(15,100)	(15,100)	
At 31 Marc h 2015		77,800	(15,100)	62,700

1. CORPORATE INFORMATION

Krayons Sourcing Limited is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Hong Kong.

Pursuant to a special resolution on 26 February 2015, the name of the Company was changed from Sourcing Solutions HK Limited to Krayons Sourcing Limited. The change of name was effective on 4 March 2015.

The Company was inactive during the current period.

The Company is a subsidiary of Norwest Industries Limited, a company incorporated in Hong Kong. In the opinion of the directors, PDS Multinational Fashions Limited, a company incorporated in India with shares listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, is the Company's ultimate holding company.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These financial statements are presented in Hong Kong dollars ("HK$") and have been prepared under the historical cost convention.

A statement of cash flows has not been presented as all expenses of the Company are paid by its immediate holding company and the Company does not operate a bank or cash account or hold any cash equivalents, and had no cash transactions during the period. Accordingly, in the opinion of the directors, the presentation of a statement of cash flows would provide no additional useful information to the users of the financial statements.

2.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Company has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the period ended 31 March 2015, in these financial statements. The Company is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Company are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, 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 period generally established by regulation or convention in the marketplace.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statement of financial position) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's only financial liability is an accrual.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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 a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

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

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) commission income, when the services are rendered.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the retranslation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

4. AUDITORS' REMUNERATION

Auditors' remuneration for the period from 16 December 2014 (date of incorporation) to 31 March 2015 was HK$10,000.

6. DIRECTORS' REMUNERATION

None of the directors received any fees or emoluments in respect of their services rendered to the Company during the period from 16 December 2014 (date of incorporation) to 31 March 2015.

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits in Hong Kong during the period from 16 December 2014 (date of incorporation) to 31 March 2015.

A reconciliation of the tax credit applicable to loss before tax using the Hong Kong statutory rate of 16.5% to the tax at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	Period from 16 December 2014 (date of incorporation) to 31 March 2015 HK$	%
Loss before tax	(15,100)	
Tax credit at the statutory tax rate	(2,492)	(16.5)
Expenses not deductible for tax	2,492	16.5
Tax at the effective tax rate	-	-

There was no unprovided deferred tax in respect of the period and as at the end of the reporting period.

8. OTHER RECEIVABLE

	HK$
Due from the immediate holding company	72,700

The amount due from the immediate holding company is unsecured, interest-free and has no fixed terms of repayment.

9. SHARE CAPITAL

	HK$
Issued and fully paid:	
10,000 ordinary shares	77,800

On incorporation, 10,000 ordinary shares were issued at US$1 each as the subscriber's shares. The consideration receivable included in an amount due from the immediate holding company.

10. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company did not have other material transactions with related parties during the period.

11. FINANCIAL INSTRUMENTS BY CATEGORY

The Company's financial asset is an other receivable balance which is categorised within loans and receivables. The Company's financial liability is an accrual which is categorised within financial liabilities at amortised cost. The carrying amounts of the Company's financial asset and financial liability are the amounts as set out in the statement of financial position.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

At the end of the reporting period, the carrying amounts of the Company's financial asset and financial liability approximated to their fair values.

The fair values of financial asset and liability are included at the amounts at which the instruments could be exchanged in current transactions between willing parties, other than in forced or liquidation sale transactions. The fair values of an other receivable balance and an accrual approximated to their carrying amounts largely due to the short term maturities of these instruments.

The Company did not have any financial assets and financial liabilities measured at fair values as at the end of reporting period.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial asset and financial liability comprise an other receivable balance and an accrual. The main risks related to these financial instruments and the corresponding management objectives and policies are summarised below.

Credit risk

The Company's receivable balance is monitored by management on an ongoing basis. The credit risk of the Company's financial asset arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the instrument.

Liquidity risk

In the management of liquidity risk, the Company monitors the level of working capital and maintains it at a level deemed adequate, and maintains a balance between continuity of funding and flexibility through funding from its group companies.

The Company's accrual as at the end of the reporting period was due on demand.

Capital management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares. No changes were made in the objectives, policies or processes for managing capital during the period from 16 December 2014 (date of incorporation) to 31 March 2015.

14. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 11 June 2015.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	2015 £
Current assets	
Trade and other receivables	50,000
	50,000
Total assets	50,000
Net current assets	50,000
Net assets	50,000
Shareholders' equity	
Share capital	50,000
Total equity	50,000

SATISH SONTHALIA

MANAGER – ACCOUNTS & FINANCE

TECHNO DESIGN GmbH

ANNUAL FINANCIAL STATEMENTS

At 31. March 2015

Techno Design GmbH

Handel u. Vertrieb v. Bekleidung, Accessories u.a.

GieBerallee 33

47877 Willich

Tax office: Viersen

Tax No.: 102/5848/1248

Order

The Techno Design GmbH trading and distribution of clothing, represented by the managing director Mr. Rajive Ranjan GieBerallee 33, 47877 Willich, gave me the order to create the

Annual financial statements as at March 31, 2015

The work was carried out in the month of April 2015, within the own business premises pursuant to the provisions of §§264 et seq HGB, taking account of the additional tax regulations

The annual financial statements has an attachment. Within this attachment the balance sheet and earnings positions are shown exhaustive.

For the execution of the contract and my responsibility are – also in relation to third parties – the General Conditions of Contract for tax advisors, tax agents and tax advisory companies in the version dated December 2012 shall prevail, that are attached

Closure statement

The accounting records were created by the company and submitted to me. The annual financial statements are based on these accounting records and the given information by the managing director.

The Valuations were as ordered tested to a limited extent. On the stocktaking, I did not participate.

The legal representative gave all information and evidence and confirmed to me its completeness and the completeness of accounting records and annual financial statements..

Dusseldorf, April 24, 2015

Certification

The Current annual financial statements have been complied by me on the basis of the accounts and confirmatory documentation provided to me, and the information provided by the client

Techno Design GmbH

Handel u. Vertrieb v. Bekleidung, Accessoires u.a..

An assessment of the accuracy of this documentation and the information provided by the company was carried out, in accordance with the commission, to a limited extent. The type extent and result of the assessment of the accuracy are given in my report.

An assessment of the accuracy of the remaining documentation and information was not the object of my commission.

Legal and economic conditions

1. Legal Backgroud

   It is the social contract as amended on February 14, 2014 – UR number. 62.2014 – the notary Dr. Stefan Galla, Essen.

2. The name and legal form

   The name of the company is:

   Techno Design GmbH

   Legal form: Limited liability company

3. Place of business

   The company's headquarters is in

   47877 Willich, Gieberallee 33

4. Entry in the Commercial register

   The Company was incorporated on February 04, 2014 in the commercial register of the local court Krefeld registered under HRB Nr. 14782.

5. Purpose of the Company

   Object of the company is the development, production, procurement and trade and distribution of clothing, accessories and home furnishings.

6. Shareholders and share capital

   The company capital to march 31, 2015 in the amount of € 100,000.00 is to

   55% of the Multinational Textile Group Limited and

   45% of the DESIGN POD Limited held

   The subscribed capital has been fully paid.

7. Management

   Mr. Rajive Ranjan was appointed managing director of the company.

BALANCE SHEET AS AT 31. MARCH 2015

Techno Design GmbH Handel.u Vertrieb v. Bekleidung, Accessories u.a., Willich

ASSETS

			Financial year	Previous year
		EUR	EUR	EUR
A.	**Fixed assets**			
I.	Intangible fixed Assets			
	1. Purchased concessions, Industrial and similar rights and assets and licenses In such rights and assets		438,00	0,00
II.	Tangible fixed assets			
	1. Other equipment, Operating and office Equipment		9.486,00	0,00
B.	**Current assets**			
I.	Inventories			
	1. Finished goods and Merchandise		47.571,97	0.00
II.	Receivables and other assets			
	1. Trade receivables	260.425,50		0,00
	2. Other assets	425.903,17	686.328,67	192,78
III.	Case-in-hand, central			
	Bank balances, bank			
	Balances and cheques		34.895,39	
	49.992,92			
C.	**Prepaid expenses**		3.974,57	0,00
D.	**Deficit not covered by equity**		253.249,20	0,00
			1.035.943,80	50.185,70

BALANCE SHEET AS AT 31. MARCH 2015

Techno Design GmbH Handel.u Vertrieb v. Bekleidung, Accessories u.a., Willich

EQUITY AND LIABILITIES

A.	**Equity**			
I.	Subscribed capital	100.000,00		100.000,00
	Uncalled unpaid contributions to subscribed capital	0,00		50.000,00-
	Called capital		100.000,00	50.000,00
II.	Accumulated losses brought forward		18.301,46-	0,00
III.	Net loss for the financial year		334.947,74-	18.301,46-
	Deficit not covered		253.249,20	0,00
	Book equity		0,00	31.698,54
B.	**Provisions**			
	1. Other provisions		2.800,00	500,00
C.	**Liabilities**			
	1. Liabilities to banks		0,00	75,00
	- of which due within			
	- one year EUR 0,00 (EUR 75,00)			
2.	**Trade payable**		67.967,24	1.178,04
	- of which due within			
	- one year EUR 67.967,24			
	(EUR 1.178,04)			

TECHNO DESIGN GmbH

		EUR	Financial year EUR	Previous year EUR
3.	Liabilities to affiliated			
	Companies		184.020,80	0,00
	- of which due within one year EUR 184.020,80 (EUR 0,00)			
4.	Other liabilities	781.155,76	1.033.143,80	16.734,12
	- of Which to shareholders EUR 769.396,02 (EUR 0,00)			
	- of which taxes EUR 10.722,56 (EUR 0,00)			
	- of which due within one year EUR 781.155,76 (EUR 16.734,12)			
			1.035.943,80	50.185,70

INCOME STATEMENT FROM 01.04.2014 TO 31.03.2015

Techno Design GmBh Hendel u. Vertrieb v Bekleidung, Accessories u.a., Willich

			EUR	Financial year EUR	Previous year EUR
1.	Sales			317.135,38	0,00
2.	Gross revenue for the period			317.135,38	0.00
3.	Other operating income				
	a)	Ordinary operating income			
	aa)	Other ordinary income		7.382,01	0,00
	b)	Other income from ordinary activities - of which currency translation gains EUR 29.632,63 (EUR 0,00)	29.632,63	37.014,64	0,00
4.	Cost of materials				
	a)	Cost of raw materials, consumables and supplies and purchased merchandise	263.815040		
	b)	Cost of purchased services	138,19	263.953,59	0,00
5.	Personnel expenses				
	a)	Wages and salaries	177.911,82		0,00
	b)	Social security, Post-employment and other Employee benefit costs	34,500.21	212,412.03	0,00
6.	Depreciation, amortization and write-downs				
	A)	Amortisation and write-downs of intangible fixed assets and depreciation and write downs of tangible fixed assets		5.700,78	0,00
7.	Other operating expenses				
	a)	Ordinary operating expenses			
	aa)	Occupancy costs	28.053,52		0,00
	ab)	Insurance premiums, fees and contributions	716,86		0,00
	ac)	Cost of third-party repairs and maintenance	13.633,57		0,00
	ad)	Vehicle fleet expenses	28.166,86		0,00
	ae)	Advertising expenses	7.573,61		0,00
	af)	Selling and distribution expenses	30.719,10		0,00
	ag)	Miscellaneous other operating expenses	67.587,91		18.301,46
	b)	Losses on disposal of fixed assets	6,00		0,00
	c)	Miscellaneous other ordinary operating expenses - of which currency translation gains EUR 34.362,66 (EUR 0,00)	34.362,66	210.819,82	0,00
8.	Other interest and similar income			4,056,83	0,00
9.	Interest and similar expenses			43,08	0,00
10.	Result from ordinary activities			334.722,45-	18.301,46
11.	Other taxes			225,29	0,00
12.	Net loss for the financial year			334.947,74	18.301,46

Statement of movements on non-current assets 9gross) at 31.03.2015 – book depreciation

Acquisition-

Production-additionsdisposals transfersaccumulated

		depreciations	write-ups 31.03.2015	book-value 01.04.2014	31.03.2015
	Cost EUR	EUR	EUR	EUR	EUR
I.	Intangible fixed Assets				
1.	Purchased concessions, Industrial and similar rights and assets and licenses In such rights and assets	718,76	4,00	276,76	438,00
	Total Intangible fixed Assets	718.76	4,00	276,76	438,00
II.	Tangible fixed assets				
1.	Other equipment, Operating and office Equipment	14.912,02	2.00	5.424,02	9.486,00
	Total Tangible fixed assets	14.912,02	2.00	5.424,02	9.486,00
		15630,78	6,00	5.700,78	9.924,00

NOTES TO THE FINANCIAL YEAR

Application of the Accounting Directives Act

The financial statements at March 31, 2015 to Techno Design GmbH., Willich, was created pursuant to the provisions of §§264 et seq HGB, in accordance with the provisions the amended Accounting Directive Law from December 19, 1985.

The balance sheet as at March 31, 2014 was basis for the valuations.

Accounting and valuation principles

The valuations at March 31, 2015 correspond to the commercial law.

The fixed assets were stated at const, less the scheduled depreciation evaluated. In determining the depreciation tax depreciation tables were used as a basis taking into account the normal useful life. It was basically used the linear depreciation method.

Minor assets were gem. § 6 para. 2 Income Tax Act (EstG) in the years of acquisition fully depreciated. For simplicity, a disposal being assumed in the year of acquisition.

The development of individual items of fixed assets is represented in assets analysis, which is attached. There also is given the depreciation for the current fiscal year in a arrangement of the fixed assets corresponding breakdown.

Inventories were valued at acquisition cost or the lower of procurement cost.

Receivables and other assets were realizable values activated: foreseeable risks do not exist.

The provisions cover all foreseeable risks and contingent obligations at-measured height.

Liabilities are recognized at settlement amounts.

There were no adjustment after BilMog.

TECHNO DESIGN GmbH

INCOME STATEMENT FROM 01.04.2014 TO 31.03.2015

Techno Design GmBh Hendel u. Vertrieb v Bekleidung, Accessories u.a., Willich

		Financial year		Previous year
Account	Description	EUR	EUR	EUR
	Purchased concessions,			
	Industrial and similar rights			
	and assets and licenses			
	In such rights and assets			
135	Computer software		438,00	0,00
	Other equipment.			
	Operating and office			
	Equipment			
650	Office fittings	7.624,00		0,00
	Other operating and office			
	equipment	1.862,00	9.486,00	0,00
	Finished goods and			
	Merchandise			
1100	Finshd gds / merch. (inventories)		47.517,97	0,00
	Trade receivables			
1200	Trade receivables		260.425,50	0,00
	Other assets			
1300	Other assets	4.058,83		0,00
1301	Other assets due within 1 year	318.984,49		0,00
1350	Security deposits	7.350,00		0,00
1360	Loans	84.616,01		0,00
1372	Items in transit DPOD Recharge	2.405,16		0,00
1406	Deductible input tax, 19%	0,00		192,78
1421	VAT receivables, current year	0,00		188,09
1422	VAT receivables, previous year	4,69		0,00
3300	Trade payables	7.691,15		0,00
3740	Social security liabilities	794,84		0,00
3820	VAT prepayments	0,00	425.903,17	188.09-
	Cash-in-hand, central			
	bank balances, bank			
	balances and cheques			
1600	Cash-in-hand	155.79		0,00
1800	Sparkasse Krefeld	33.090,76		49.992,92
1820	Sparkasse Krefeld US$	1.648,84	34.895,39	0,00
	Prepaid Expenses			
1900	Prepaid Expenses		3.974,57	0,00
	Deficit not covered by equity			
	Equity deficit		253.249,20	0,00
	Total assets		1.035.943,80	50.185,70

BALANCE SHEET ACCOUNT AS AT 31.03.2015

Techno Design GmBh Hendel u. Vertrieb v Bekleidung, Accessories u.a., Willich

EQUITY AND LIABILITIES

		Financial year		Previous year
Account	Description	EUR	EUR	EUR
	Subscribed capital			
2900	Subscribed capital		100.000,00	100.000,00
	Uncalled unpaid			
	Contributions to			
	Subscribed capital			
2910	Unpaid uncalled capital		0,00	50.000,00
	Accumulated losses			
	brought forward			
2978	Accumltd losses bef apprprnt net prft		18.301,46-	0,00
	Net loss to the			
	Financial year			
	Net loss for the financial		334.947,74-	18.301,46-
	Deficit not covered			
	Equity deficit		253.249,20	0,00
	Other provisions			
3070	Other provisions	500,00		0,00
3095	Provisions period-end closing/			
	audit costs	2.300,00	2.800,00	0,00
	Liabilities to banks			
1810	HSBC Trinkaus & Burkhardt		0,00	75,00
	of which due within			
	one year EUR 0,00 (EUR 75,00)			
1810	HSBC Trinkaus & Burkhardt			
	Trade payables			
3300	Trade payables		67.967,24	1.178,04
	of which due within			
	one year EUR 67.967,24			
	(EUR 1.178,04)			
3300	Trade payables			
	Liabilities to affiliated			
	Companies			
3400	Liabilities to affi-liated companies	184.020,80	0,00	
	of which due within			
	one year EUR 184.020,80			
	(EUR 0,00)			
3400	Liabilities to affi-liated companies			
	Other liabilities			
1401	Deductible input tax, 7%	73,24-		0,00
1406	Deductible input tax, 19%	28.630,94-		0,00
1407	Dedctbl inpt tax sec 13b UStG 19%	22.81-		0,00
1433	Acquisition tax paid	10.963,71-		0,00
3500	Other liabilities	1.037,18		16.734,12
3640	Liabilities to GmbH shareholders	769.396,02		0,00
3730	Wage and church tax payables	4.384,48		0,00
3806	VAT, 19%	20.327,13		0,00
3820	VAT prepayments	17.093,77		0,00
3830	VAT prepayments 1/11	90,00-		0,00
3837	VAT under section 13b UStG, 19%	22.81	0,00	
3840	VAT current year	8.675,07	781.155,76	0,00
	of which to shareholders			
	EUR 769.396,02 (EUR 0,00)			
3640	Liabilities to GmbH shareholders			
	of which taxes EUR 10.722,56			
	(EUR 0,00)			
1401	Deductible input tax, 7%			
1406	Deductible input tax, 19%			
1407	Dedctbl inpt tax sec 13b UStG 19%			
1433	Acquisition tax paid			
3730	Wage and church tax payables			
3806	VAT, 19%			
3820	VAT prepayments			
3830	VAT prepayments 1/11			
3837	VAT under section 13b UStG, 19%			

3840	VAT, current year		
	of which due within		
	one year EUR 781.155,76		
	(EUR 16.734,12)		
1401	Deductible input tax, 7%		
1406	Deductible input tax, 19%		
1407	Dedctbl inpt tax sec 13b UStG 19%		
1433	Acquisition tax paid		
3500	Other liabilities		
3640	Liabilities to GmbH shareholders		
3730	Wage and church tax payables		
3806	VAT, 19%		
3820	VAT prepayments		
3830	VAT prepayments 1/11		
3837	VAT under section 13b UStG, 19%		
3840	VAT, current year		
	Total equity and liabilities	1.035.943,80	50.185,70

INCOME STATEMENT ACCOUNTS FROM 01.04.2014 TO 31.03.2015

Techno Design GmBh Hendel u. Vertrieb v Bekleidung, Accessories u.a., Willich

			Financial year	Previous year
Account	Description	EUR	EUR	EUR
	Sales			
4120	Tax-exempt sales, section 4 no. 1a			
	UStG	62.896,53		0,00
4125	Tx-xmpt intra-EU dlvrs 4 no. 1b			
	UStG	2.061,00		0,00
4338	Tax-exempt sales 3rd country	152.574,87		0,00
4400	Revenue, 19% VAT	98.613,07		0,00
4401	Revenue, 19% VAT Sample Sale	989.91	317.135.38	0,00
	Other ordinary income			
4947	Allctd.oth.n-cbnfts provsn car,			
	19% VAT		7.382,01	0,00
	Other income from ordinary			
	Activities			
4840	Currency translation gains		29.632,63	0,00
	of which currency			
	Translation gains			
	EUR 29.632,63 (EUR 0,00)			
4840	Currency translation gains			
	Cost of raw materials,			
	consumables and supplies			
	and of purchased merchandise			
5200	Cost of merchandise	249.947,19-		0,00
5736	Cash discounts re-ceived,			
	19% input t.	1,30		0,00
5800	Delivery costs	13.837,51-		0,00
5840	Customs and import duties	32,00	263.815,40-	0,00
	Cost of purchased services			
5909	Purchased services, no input tax		138,19-	0,00
	Wages and salaries			
6000	Wages and salaries	6.740,00-		0,00
6020	Salaries	162.911,21-		0,00
6035	Wages for marginal part-time work	7.881,38		0,00
6040	Flat-rate tax on casual labour wages	157,63-		0,00
6069	Flat-rate tax on other benefits	221,60	177.911,82	0,00
	Social security,			
	Post employment and other			
	Employee benefit costs			
6110	Statutory social security expenses	33.948,28		0,00
6120	Contrb. To occup, health/safety agency	500,00		0,00
6130	Vol. social benfts not subj to wage tx	51.93-	34.500,21-	0,00
	Depreciation, amortization			
	and write-downs			
	Amortisation and write-downs			
	of intangible fixed assets			
	and depreciation and			
	write downs of tangible			
	fixed assets			
6200	Amortisation of intngbl fixed assets	276,76-		0,00
6220	Depreciation of tangible fixed assets	5.171,96		0,00
6260	Immediate write-off of low-value assets	252,06	5.700,78-	0,00
	Occupancy cost			
6310	Rent (immovable property)	25.200,00-		0,00
6325	Gas, electricity, water	828,60-		0,00
6330	Cleaning	1.400,85-		0,00
6335	Maintenance of operating premises			
	Insurance premiums, fees			
	and contributions			
6400	Insurance premiums	186,80-		0,00
6420	Contributions	530,06-	716,86-	0,00
	Cost of third-party			
	repairs and maintenance			
6490	Other repairs and maintenance	250,22-		
6495	Hardware / software maintenance			
	expenses	13.383,35-	13.633,57-	0,00
	Vehicle fleet expenses			
6520	Motor vehicle insurance	1.302,50-		0,00
6530	Current motor vehicle operat. Costs	2.990,45-		0,00
6540	Motor vehicle repairs	1.192,18-		0,00
6560	Operating leases (motor vehicles)	7.871,95-		0,00
6570	Other motor vehicle expenses	12.586,61-		0,00
6595	Third-party vehicle expenses	2.223,17-	28.166,86-	0,00
	Advertising expenses			
6600	Advertising costs	65,00-		0,00
6610	Gifts, deductible, without s. 37b EStG	13,97-		0,00
6630	Corporate hospitality expenses	667,14-		0,00
6640	Entertainment expenses	1.349,64-		0,00
6643	Small gifts	555,97-		0,00
6644	Non-deductible entertainm.			
	expenses	573,00		0,00
6645	Non-deductible business expenses	15,00		0,00
6650	Employee travel expenses	2.867,07		0,00
6660	Employee trav. expn.			
	accommodation costs	479,76-		0,00
6663	Employee travel expenses cost			
	of travel	891,46		0,00
6664	Employee trav. expn. addnl			
	substnc costs	95,00-		0,00
	Selling and distribution			
	Expenses			

TECHNO DESIGN GmbH

6700	Selling and distribution expenses	349,20-		0,00
6701	Samples	5.168,55-		0,00
6740	Courier charges	8.956,01-		0,00
6770	Selling commissions	5.995,34-		0,00
6780	Third-party services (distribution)	10.250,00	30.719,10-	0,00
	Miscellaneous other operating expenses			
6300	Other operating expenses	36.812,26-	0,00	
6303	Purchased services/third-party services	120,05	0,00	
6800	Postage	149,26-		0,00
6805	Telephone	3.230,63-		0,00
6815	Office supplies	2.265,07-		0,00
6820	Newspapers, books	134,94-		0,00
6821	Training costs	10.450,00-		0,00
6825	Legal and consulting costs	3.756,65-		0,00
6827	Period-end closing and audit costs	3.171,00-		0,00
6830	Bookkeeping costs	2.506,15-		0,00
6831	Bookkeeping costs	864,00-		0,00
6840	Operating leases (movable assets)	391,95		0,00
	Miscellaneous other operating expenses			
6855	Incidental monetary transaction costs	3.735,95-	67.587,91-	0,00
	Losses on disposal of fixed assets			
6895	Disposals tngbl fxd ass. aet carr. amnt.	2,00-		0,00
6896	Dispsl intngbl fxd ass. net carr. anmnt.	4,00-	6,00	0,00
	Miscellaneous other ordinary operating expenses			
6880	Currency translation losses		34.362,66-	0,00
	of which currency translation gains EUR 34.362,66-(EUR 0,00)			
6880	Currency translation losses			
	Other interest and similar income			
7110	Other interest income		4.056,83	0,00
	Interest and similar expenses			
7303	Dedctbl other incid, charges reltd taxes	0,50-		0,00
7310	Interest expense on short-term debt	42,58-	43,08-	0,00
	Other taxes			
7685	Motor vehicle tax		225,29-	0,00
	Net loss for the financial year			
	Net loss for the financial year		334.947,74-	18.301,46-

RECEIVABLES AND PAYABLES AS AT 31.03.2015

Techno Design GmBh Hendel u. Vertrieb v Bekleidung, Accessories u.a., Willich

LIST OF RECEIVABLES

Debtors with debit balances

			Financial year	Previous year
Account	Description	EUR	EUR	EUR
11400	Jade Services private Limited (Jabong.co)	62.896,53		0,00
11600	Street life Fashion	46.072,94		0,00
11700	Techno Lifestyle GmbH & Co.KG	149.395,03		0,00
12000	Yello Octopus Limited	2.061,00	260.425,50	0,00
			260.425,50	0,00

Commercial law

RECEIVABLES AND PAYABLES AS AT 31.03.2015

Techno Design GmBh Hendel u. Vertrieb v Bekleidung, Accessories u.a., Willich

LIST OF PAYABLES

Creditors with credit balances

			Financial year	Previous year
Account	Description	EUR	EUR	EUR
70200	Can Dienstleistungen GmbH	202,30		0,00
70307	DHL Express Germany GmbH	80,94		0,00
70308	DATEV eG	77,53		0,00
70400	ecs transport-logistik gmbh	340,70		0,00
70600	Galla notar Dr.	0,00		1.178,04
70602	Godde StB	247,50		0,00
71201	Mastercard 6588 RR	485,44		0,00
71203	Mastercard 6596 BS	59,98		0,00
71502	Protection One	742,32		0,00
71603	Rajive Ranjan	60,90		0,00
71702	SV Sparkassen Versicherung	1.702,54		0,00
71706	s. oliver Bernd Freier GmbH & Co.KG	48.462,53		0,00
71901	Techno Lifestyle GmbH & Co.KG	14.519,68		0,00
71903	Telekom Deutschland GmbH	243,47		0,00
72102	VW Leasing GmbH	741,37	67.967,24	0,00
			67.967,24	1.178,04

RECEIVABLES AND PAYABLES AS AT 31.03.2015

Techno Design GmBh Hendel u. Vertrieb v Bekleidung, Accessories u.a., Willich

LIST OF PAYABLES

Creditors with credit balances

			Financial year	Previous year
Account	**Description**	**EUR**	**EUR**	**EUR**
70001	Ahmed Sharif	457,38	0,00	
70603	Globaltrans intern. Logistik GmbH	7.233,77	7.691,15	0,00
			7.691,15	0,00

COMMENTS

Assests		31.03.2015	previous year
		€	€
1. Trade receivables and other receivables			
See separate list		260.425,50	0,00
2. Other assesets			
1300 Interest Interest Techno Lifestyle GmbH & Co.KG	03/15	4.056,83	0,00
1301 Other assets (less than 1 year)	03/15	318.984,49	0,00
1350 Deposit office	2015	7.350,00	0,00
1360 Loan Techno Lifestyle GmbH & Co.KG	03/15	84.616,01	0,00
1372 Additiona charges DPOD	03/15	2.405,16	0,00
1422 VAT	2014	4,69	0,00

3300 Liabilities from R & R	03/15	7.691,15	0,00
3740 Refunds AAG	03/15	794,84	0,00
		425.903,17	0,00
3. Prepaid expenses			
6420 ADAC	-11/15	32.67	0,00
6663 Railway card	-11/15	270,48	0,00
6400 Electronic insurance	-12/15	209,74	0,00
6400 Insurance	-04/16	148,65	0,00
6420 IHK	-12/15	132,00	0,00
6820 Magazine ,,Textilwirtschaft"	-12/15	274,89	0,00
6805 Telekom	-04/15	110,80	0,00
6520 Car Insurance VIE-DP 33	-01/16	1,393,02	0,00
6520 Car insurance VIE-TD 48	-12/15	988.61	0,00
7685 Road tax VIE-TD 48	-07/15	76,21	0,00
7685 Road tax VIE-DP 33	-01/16	337,50	0,00
		3.974,57	0,00

COMMENTS

Equity and Liabilities				31.03.2015	previous year
				€	€
1. Other provisions	01.01	contr	reversal		
3070 Trace ass. 2014	0,00	500,00		500,00	0,00
3095 Provsns period-end closing/ audit costs 2014/15	500,00	1.800,00		2.300,00	0,00
	500,00	2.300,00	0,00	2.800,00	500,00
2. Trace payables and other liabilities.					
See separate list				67.967,24	1.178,04
3. Liabilities to affiliated companies					
3400 DPOD and MTGL				184.020,80	0,00
4. Other liabilities					
3500 City of Willich, business registration	02/14			0,00	20,00
3500 Stamp-Shop	03/14			0,00	23,30
3500 Lawyer Luther	03/14			0,00	16.691,82
3500 Lawyer Parchent	03/15			270,00	0,00
3500 IT –Support	03/15			640,00	0,00
3500 Copies	03/15			127,18	0,00
3640 Liabilities company MTGL	03/15			769.396,02	0,00
3730 Wage tax	03/15			4.384,48	0.00
3840 VAT	02/15			2.646,52	0,00
3840 VAT	03/15			6.028,55	0,00
3840 VAT	2014			242,31	0,00
3840 VAT	2015			2.094,68	0,00
				781.155,76	16.734,12

DEVELOPMENT OF FIXED ASSETS FROM 01.04.2014 TO 31.03.2015 – BOOK DEPRECIATION

Account name	Development	value at of 01.04.2014	addition disposal-	transfer	depreciation write-up-	value at 31.03.2015
		EUR	EUR	EUR	EUR	EUR
0135 Computer software	acqu.-/prod.-c		718,76			714,76
			4,00-			
	depreciation		276,76			276,76
	book values		718,76		276,76	438,00
			4,00			
0650 Office fitting	acqu.-.prod.-c		11.487,15			11.485,15
			2,00-			
	depreciation		3.861,15			3.861,15
	book values		11.487,15		3.861,15	7.624,00
			2,00			
0670 Low-value assets	acqu.-/prod.-c		252,06			252,06
	depreciation		252,06			252,06
	book values		252,06		252,06	0,00
0690 Other operating and	acqu.-/prod.-c		3.172,81			3.172,81
Office equipment	depreciation		1.310,81			1.310,81
	book value		3.172,81		3.310,81	1.862,00
total account	acqu.-/prod.-c		15.630,78			15.624,78
			6,00			
	Depreciation		5.703,78			5.700,78

DEVELOPMENT OF FIXED ASSETS FROM 01.04.2014 TO 31.03.2015 – BOOK DEPRECIATION

0135 Computer software					
135001DEKA, 7 Office 2003 Small01.04.20141APC			1,00		0,00
			1,00		
	Linear	depr.			0.00
	1/00	100	bv1,00		0,00
			1,00-		
135002DEKAM, 1 MS-Office 2003					
Small01.04.2014	APC		1,00		0,00
Business, gebr.			1,00		
	Linear	depr.			0,00
	1/00	100	bv1,00		0,00
135003DEKA, 1 Office XP Small					
Business, Gebr.	01.04.2014	APC	1,00 1,00		0,00
	Linear	depr.			0,00
	1/00	100	bv1,00		0,00
135004DEKA, 1 MS Office					
SBE 2003, gebr	01.04.2014	APC	1,00		0,00
		1,00			
	Linear	depr.			0,00
	1/00	100	bv1,00		0,00
135005MIKUS, 1 Corel Draw					
X3 VV, gebr	01.04.2014	APC	1,00		0,00
	Linear	depr.	0,00		
	1/00	100	bv1,00		0,00
135006MIKUS, 1DTP-SW					
Photo Shop	01.04.2014	APC	1,00		0,00
CS2, gebr,	Linear	depr.	0,00		
	1/00	100	bv1,00		0,00
135007Kirscht, 1 Firewall					
DFL-200, gebr	01.04.2014	APC	1,00		0,00
	Linear	depr.			0,00
	1/00	100	bv1,00		0,00
135008Kirscht, Corel Draw					
graphics, gebr.	01.04.2014	APC	110,76		110,76
	Linear	depr.	110,76	110,76	
	1/00	100	bv110,76	109,76	110,76
135009KerioConnect fur					
Mailserver, 10	27.06.2014	APC	601,00		601,00
Nutzerlizenzen	Linear	depr.	167,00		167,00
	3/00	33,33	bv601,00	167,00	434,00
SummeComputer software		acqu.-/prod.-c	718,76		714,76
			4,00		
		depreciation	276,76	276,76	
		book value	**718,76**	**267,76**	**438,00**

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			4,00-	**276,76**	**438,00**
0650 Office fittings					
650001PC-Verkabelung,					
gebr,	01.04.2014	APC	1,00		1,00
	Linear	depr.			0,00
	1/00	100	bv1,00		1,00
650002DEKA, 4 Beng TFT 17'					
Monitor,	01.04.2014	APC	1,00		0,00
gebr.			1,00		
	Linear	depr.			0,00
	1/00	100	bv1,00		1,00
			1,00-		
650003DEKA, 1 Belinea 17"					
Monitor,	01.04.2014	APC	1,00		0,00
gebr,			1,00		
	Linear	depr.			0,00
	1/00	100	bv1,00		0,00
			1,00-		
650004DEKA, USA MGE Pulsar					
Exreme	01.04.2014	APC	1,00		1,00
3000, gebr	Linear	depr.			0,00
	1/00	100	bv1,00		1,00
650005Kirscht, 1 Sony Notebook,					
gebr,	01.04.2014	APC	1,00		1,00
	Linear	depr.			0,00
	1/00	100	bv1,00		1,00
650006Server exone Challenge					
1911 incl.	01.04.2014	APC	241,00		241,00
Software, gebr	Linear	depr.	240,00		240,00
	1/00	100	bv241,00	240,00	241,00
650007Kircht, PC exone Business,					
gebr.	01.04.2014	APC	166,01		166,01
	Linear	depr.	166,01		166,01
	1/00	100	bv166,01	165,01	166,01
650008GML, Apple iPed,					
Notebook Sony	01.04.2014	APC	305,75		305,75
Valo, gebr.	Linear	depr.	153,75		153,75
	2/00	50,00	bv305,75	153,75	152,00
650009PC exone Business,					
gebr.	01.04.2014	APC	372,26		372,26
	Linear	depr.	186,26		186,26
	2/00	50,00	bv372,26	186,26	186,26
650010Computertischsystem,					
gebr	01.04.2014	APC	49,01		49,01
	Linear	depr.	48,01		48,01
	1/00	100	bv49,01	48,01	1,00
650011Diverse Buroeinrichtung,					
gebr	01.04.2014	APC	1.184,51		1,184,51
	Linear	depr.	395,51		395,51
	3/00	33,33	bv1.184,51	395,51	789,00
650012Conline, Regale, Tische,					
Stuhle,	01.04.2014	APC	688,00		688,00
gebr,	Linear	depr.	229,00		229,00
	3/00	33,33	bv688,00	229,00	459,00
650013Goosens, Buromobel,					
gebr	01.04.2014	APC	667,26		667,26
gebr	Linear	depr.	222,26		222,26
	3/00	33,33	bv667,26	222,26	445,00
650014MS, Regalelemente,					
gebr.	01.04.2014	APC	130,01		130,01
	Linear	depr.	129,01		129,01
	1/00	100	bv130,01	129,01	1,00

650015MS, Schrankelement,					
gebr	01.04.2014	APC	70,76		70,76
	Linear	depr.	69,76		69,76
	1/00	100	bv70,76	69,76	1,00
650016Ms, Drehstuhle,					
Schrankelemente,	01.04.2014	APC	259,25		259,25
gebr,	Linear	depr.	130,25		130,25
	2/00	50,00	bv259,25	130,25	129,00
650017Elektro Sommer,					
1 Klimagerat	01.04.2014	APC	368,50		368,50
Einhell, gebr,	Linear	depr.	184,50		184,50
	2/00	50,00	bv368,50	184,50	184,00
6500184 Notebooks Asuspro					
incl.	27.06.2014	APC	5.300,00		5.300,00
Installation					
Betriebssystem	Linear	depr.	1.473,00		1.473,00
	3/00	33,33	bv5.300,00	1.473,00	3.827,00
650019Apple MacBook	24.11.2014	APC	1.679,83		1.679,83
	Linear	depr.	234,83		234,83
	3/00	33,33	bv1.679,83	234,83	1.445,00
Office fittings	acqu.-/prod.-c		11.487,15		11.487,15
			2,00-		
	Depreciation		3.861,15		3.861,15
	book values		**11.487,15**	**3.861,15**	**7.624,00**
			2,00-		

DEVELOPMENT OF FIXED ASSETS FROM 01.04.2014 TO 31.03.2015 – BOOK DEPRECIATION

0670 Low-value assets					
670001 GWG 2014	07.11.2014	APC	252,06		252,06
GWG/volldepr.			252,06		252,06
	1/00	100	bv252,06	252,06	0,00
Low-value assets	acqu.-/prod.-c		252,06		252,06
	Depreciation		252,06		252,06
	book values		**252,06**	**252,06**	**0,00**

DEVELOPMENT OF FIXED ASSETS FROM 01.04.2014 TO 31.03.2015 – BOOK DEPRECIATION

0690 Other operating and Office equipment						
690001DEKA, Kopierer Panasonic						
DP-180,	01.04.2014	APC	1,00			1,00
gebr.	Linear	depr.				0,00
	1/00	100	bv1,00			1,00
690002Gottwald, Klimaanlage						
Midea, gebr.	01.04.2014	APC	236,76			236,76
	Linear	depr.	118,76			118,75
	2/00	50,00	bv236,76	118,76		118,00
6900031 Madchen-Anprobierfigur,						
Gr. 116,	01.04.2014	APC	41,26			41,26
gebr.	Linear	depr.	40,26			40,26
	1/00	100	bv41,26		40,26	1,00
6900041 Madchen-Anprobierfigur,						
Gr. 140,	01.04.2014	APC	47,25			47,25
gebr.	Linear	depr.	46,25			46,25
	1/00	100	bv47,25		46,25	1,00
6900051 Black Berry 870,						
gebr.	01.04.2014	APC	1,00			1,00
	Linear	depr.				0,00
	1/00	100	bv1,00			1,00
6900061 Trolly, gebr.	01.04.2014	APC	30,25			30,25
	Linear	depr.	29,25			29,25
	1/00	100	bv30,25		29,25	30,25

6900073 Klimagerate, gebr.01.04.2014	APC	106,75			106,75
Linear	depr.	53,75			53,75
2/00	50,00	bv106,75		53,75	53,00
690008 Kffer, gebr. 01.04.2014	APC	27,00			27,00
Linear	depr.	26,00			26,00
1/00	100	bv27,00		26,00	1,00
690009Reisetasche, gebr.01.04.2014	APC	23,51			23,51
Linear	depr.	22,51			22,51
1/00	100	bv23,51		22,51	1,00
690010Multimediasystem, gebr.01.04.2014	APC	1,00			1,00
Linear	depr.				0,00
1/00	100	bv1,00			1,00
690011Garderpbe, gebr.01.04.2014	APC	201,26			201,26
Linear	depr.	101,26			101,26
2/00	50,00	bv201,26		101,26	100,00
690012Zegna, 1 Tasche,					
1 PC-Tasche, 01.04.2014	APC	313,01			313,01
gebr, Linear	depr.	157,01			157,01
2/00	50,00	bv313,01		157,01	156,00
690013Berliner Bustenfabrik, 201.04.2014	APC	1.465,76			1.465,76
anprobierfiguren, gebr. Linear	depr.	4890,76			489,76
3/00	33,33	bv1.465,76		489,76	976,00
690014Breckinghaus, Kaffer,					
gebr. 01.04.2014	APC	337,25			337,25
Linear	depr.	112,25			112,25
3/00	33,33	bv337,25		112,25	225,00
690015Bally, Tasche, gebr.01.04.2014	APC	339,75			339,75
Linear	depr.	113,75			113,75
3/00	33,33	bv339,75		113,75	226,00
SummeOther operating and office equipment	acqu.-/prod.-c depreciation	3.172,81 1.310,81			3.172,81 1.310,81
	book value	3.172,81		1.310,81	1.862,00

ALLGEMEINE AUFTRAGSBEDINGUNGEN

Fur Steuerberater, Steuerbevollmachtigte und Steuerberatungsgesellschaften

Stand : Dezember 2012

Die folgenden ,, Allgermeinen Auftragsbedingungen" gelten fur Vertrage zwischen Steuerberatern, Steuerbellmachtigten und Steuerberatungsgesellschaften)im Folgenden ,,Steuerberater" genannt) und ihren Auftraggebern, soweit nicht etwas anderes ausdrucklich schriftlich vereinbart oder gesetzlich zwingend vorgeschrieben ist.

1. Umfang und Ausfuhrung des Auftrags

(1) Fur den Umfang der vom Steuerberater zu erbringenden Leistungen ist der erteilte Auftrag Maßgebend. Der Auftrag wird nach den Grundsatzen ordnungsgemaBer Berufsausubung unter Beachtung der einschlagigen berufsrechtilichen Normen und der Berufspflichen (StBerG, BOStB) Ausgefuhrt.

(2) Dem Steuerberater sind die benotigten Unterlagen und Aufklarungen vollstandig zu geben. Die prufung der Richtigkeit, Vollstandigkeit und OrdnungsmaBigkeit der ubergebenen Unterlagen und Zahlen, insbesondere der Buchfuhrung und Bilanz, gehort nur zum Auftrag, wenn dies schriftlich vereinbart ist. Der Steuerberater wird die vom Auftraggeber genannten Tatsachen, insbesondere Zahlenangaben, als richtig zu Grunde legen, Soweit er offensichtliche Unrichtigkeifen fest stellt, ist er verpflichtet, darauf hinzuweisen

(3) Der Auftrag stellt keine Vollmacht fur die Vertretung vor Behorden, Gerichten und sonstigen stellen dar. Sie ist gesondert zu erteilen. Ist wegen der Abwesenheit des Auftraggebers eine Abstimmung mit diesem uber die Einlegung von Rechtsbehelfen order Rechtsmitteln nicht moglich, ist der Steuerberater im Zweifel zu fristwahrenden Handlungen berechtigt und verpflichtet.

2. Verschwiegenheitspflicht

(1) Der Steuerberater ist nach MaBgabe der Gesetze verpflichtet, uber alle Tatsachen, die ihm im Zusammenhang mit der Ausfuhrung des Auftrags zur Kenntnis ge langen, Stillschweigen zu bewahren, es sei denn, dass der Auftraggeber ihn schriftlich von diesar Verpflichtung entbindet. Die Verschwiegenheitspflicht besteht auch nach Beendigung des Vertgrgsverhaltnisses fort. Die Verschwiegenheitspflicht besteht im gleichen Umfang auch fur die Mitarbeiter des Steuerberaters.

(2) Die Verschwiegenheitspflicht besteht nicht, soweit die Offenlegung zur Wahrung berechtigter Interessen des Steuerberaters erforderlich ist. Der Steuerberater ist auch insoweit von der Verschwiegenheitspflicht entbunden, al ser nach den Versicherungsbedingungen seiner Berufshaftphlichtversicherung zur information und Mitwirkung verpflichtet ist.

(3) Gesetzliche Auskunfts- und Aussageverweigerungsrechte nach §102 AO, § 53 stPO, § 383 ZPO bleiben unberuhrt

(4) Der Steuerberater ist berechtigt, personenbezogene Daten des Auftraggebers und dessen Mitarbeitern im Rahmen der erteilten Auftrage maschinell zu erheben und in einer automatisierten Datei zu verarbeiten oder einem Dienstleistungsrechenzentrum zur weiteren Auftragsdatenverarbeitung zu ubertragen.

(5) Der Stererberater darf Berichte, Gutachten und sonstige schriftliche AuBerungen uber die Ergebnisse seiner Tatigkeit Dritten nur mit Einwilligung des Auftrag gebers aushandigen. Daruber hinaus besteht keine Verschwiegenheitspflicht, soweit dies zur Durchfuhrung eines Zertifizierungsaudits in der Kanzlei des Steuerberaters erforderlich ist und die insoweit tatigen Personen ihrerseits uber ihre Verschwiegenheitspflicht belehrt worden sind. Der Auftraggeber erklart sich dam it einverstanden, dass durch den Zertifizierer/Auditor Einsicht in Seine-vom Steuerberater abgelegte und gefuhrte-Handakte genommen wird.

(6) Der Steuerberater hat beim Versand bzw, der Ubermittlung von Unterlagen, Dokumenten, Arbeitsergebnissen etc. auf Papier oder in elektronischer Form die Ver schwiegenheitsverpflichtung zu beachten. Der Auftraggeber stellt das ser als Empfanger ebenfalls alle SicherungsmaBnahmen Beachtet, dess die ihm zugeleiteten Papiere order Dateien nur den hierfur zustandigen Stellen zugehen. Dies insbesondere auch fur den Fax-und E-Mail-Verkehr. Zum Schutz der uberlassenen Dokumente und Dateien sind die entsprechenden technischen und organisatorischen MaBnahmen zu treffen. Sollten besondere uber das nor male MaB hinausgehende Vorkehrungen getroffen warden mussen, so ist eine entsprechende schriftliche Vereinbarung uber die Beachtung zusatzlicher sicher heitsrelevanter MaBhahmen zu treffen, insbesondere ob im E-Mail-Verkehr eine Verschlusselung vorgenommen warden muss.

3. Mitwirkung Dritter

(1) Der Steuerberater ist berechtigt, zur Ausfuhrung des Auftrags Mitarbeiter, fachkundige Dritte sowie datenverarbeitende Unternehmen heranzuziehen. Bei der Heranziehung von fachkundigen Dritten und datenverarbeitenden Unternehmen hat der Steuerberater dafur zu sorgen, dass diese sich zur Verschwiegenheit entsprechend Nr. 2 Abs. 1 verpflichten.

(2) Der Steuerberater ist berechtigt, allgemeinen Vertretern (§ 69 StBerG) sowie Praxistreuhandern (§ 71 StBerG) im falle ihrer Bestellung Einsichtnahme in die Handakten i.S.d. § 66 Abs. 2 StBerG zu verschafften.

(3) Der Steuerberater ist berechtigt, in Erfullung seiner Pflichten nach dem Bundesdatenschutzgesetz einen Beauftragten fur den Datenschutz zu bestellen. Softern der Beauftragte fur den Datenschutz nicht bereits nach Nr. 2 Abs. 1 S. 3 der Verschwiegenheitspflicht unterliegt, hat der Steuerberater dafur Sorge zu tragen, dass der Beauftragte fur den Datenschutz sich mit Aufnahme seiner Tatigkeit auf das Datengeheimnis verpflichtet.

4. Mangelbeseitigung

(1) Der Auftraggeber hat anspruch auf Beseitigung etwaiger Mangel. Dem Steuerberater ist Gelegenheit zur Nachbesserung zu geben. Der Auftraggeber hat das Rechtwenn und soweit es sich be idem mandate um einen Dienstvertrag im Sinne der §§ 611,675 BGB handelt-die Nachbesserung durch den Steuerberater abzuleh nen, wenn das Mandat durch den Auftraggeber beendet und der Mangel erst nach wirksamer Beendigung des Mandats durch einen anderen Steuerberater festgestellt wird.

(2) Beseitigt der Steuerberater die geltend gemachten Mangel nicht innerhalb einer angemessenen Frist oder lehnt er die Managelbeseitigung ab, so kann der Auf traggeber auf Kosten des Steuerberaters die Mangel durch einen anderen Steuerberater beseitigen lassen bzw. Nach seiner Wahl herabsetzung der Vergutung order Ruckgangigmachung des Vertrages verlangen.

(3) Offenbare Unrichtigkeiten (z. B Schreibfehler, Rechenfehler) konnen vom Steuerberater jederzeit auch Dritten gegenuber berichtigt warden. Sonstige Mangel darf der Steuerberater Dritten gegenuber mit Einwilligung des Auftraggebers berichtigen. Dei Einwilligung ist nicht erforderlich, wenn berechtigte Interessen des Steuerberaters den Interessen des Auftraggebers vorgehen.

5. Haftung

(1) Der Steuerberater haftet fur eigenes sowie fur das Verschulden siener Erfullungsgehilfen.

(2) Der Anspruch des Auftraggebers gegen den Steuerberater auf Ersatz eines nach Abs. 1 fahrlassig verursachten Schadens wird auf 4.000.000,00 € (in Worten: Viermillionen €) begrenzt.

(3) Soweit im Einzelfall hiervon abgewichen, insbesondere die Haftung auf einen geringeren als den in Abs. 2 genannten Betrag begrenzt warden soll, bedarf e seiner schriftlichen

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Vereinbarung, die gesondert zu erstellen ist und dem Auftraggeber zusammen mit diessen allgemeinen Auftragsbedingungen bei Vertragsabschluss ausgehandigt warden soll.

(4) Soweit ein Schadenersatzanspruch des Auftraggebers kraft Gesetzes nicht einer kurzeren Verjahrungsfrist unterliegt, verjahrt er a) in drei Jahren von dem Zeitpunkt an, in dem der Anspruch entstanden ist, und der Auftraggeber von den den Anspruch begrundenden Umstanden und der Person des Schuldners Kenntnis erlangt order ohne grobe Fahrlassigkeit Erlangen musste, b) ohne Rucksicht auf die Kenntnis oder grob fahrlassige Unkenntnis in funf Jahren von seiner Entste huge an und c) ohne Rucksicht auf seine Entstehung und die Kenntnis order grob fahrlassige Unkenntnis in zehn Jahren von der Begehung der Handlung, der Pflichtverletzung oder dem sonstigen dem Schaden auslosenden Ereignis an. MaBgeblich ist die fruher endende Frist.

(5) Dei in den Absatzen 1 bis 4 getroffenen Regelungen gelten auch gegenuber anderen Personen als dem Auftraggeber, soweit ausnahmsweise im Einzelfall vertragliche oder auBervertragliche Beziehungen auch zwischen dem Steuerberater und diesen Personen begrundet worden sind.

(6) Von den Haftungsbegrenzungen ausgenommen sind Haftungsanspruche fur Schaden aus der Verletzung des Lebens, des Korpers oder der Gesundheit.

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1) Bitte ggf. Betrag einsetzen. (Um von dieser Regelung Gebrauch machen zu konnen, muss bei Steuerberatern die vertragliche Versicherungssumme wenigstens 1 Million € fur den einzelnen Schadensfall betragen; anderenfalls ist der Abs. 2 zu streichen.)

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6. Pflichten des Auftraggebers; Unterlessene mitwirkung und Annahmeverzug des Auftraggebers

(1) Der Auftraggeber ist zur Mitwirkung verpflichtet, soweit es zur ordnungsgemaBen Erledigung des Auftrags erforderlich ist. Insbesondere hat er dem Steuerberater unaufgefordert alle fur die Ausfuhrung des Auftrags notwendigen Underlagen vollstandig und so rechtzeitig zu ubergeben, dass dem Steuerberater eine an gemessene Bearbeitungszeit zur Verfugung steht. Entsprechendes gilt fur die Underrichtung uber alle Vorgange und Umstande, die fur die Ausfuhrung des Auftrags von bedeutung sein konnen. Der Mandant ist verpflichtet, alle schriftlichen und mundlichen Mitteilungen des Steuerberaters zur Kenntnis zu nehmen undbei Zweifelsfragen Rucdksprache zu halten.

(2) Der Auftraggeber hat alles zu unterlassen, was die Unabhangigkeit des Steuerberaters oder seiner Erfullungsgehilfen beeintrachtigen konnte.

(3) Der Auftraggeber verpflichtet sich, Arbeitsergebnisse des Steuerberaters nur mit dessen schriftlicher Einwilligung weiterzugeben, soweit sich nicht bereits ausdem Auftragsinhalt die Einwilligung zur Weitergabe an einen bestimmten Dritten ergibt.

(4) Setzt der Steuerberater beim Auftraggeber in dessen Raumen Datenverarbeitungsprogramme ein, so ist der Auftraggeber verpflichtet, den Hinweisen des Steuerberaters zur Installation und Anwendung der Programme nachzukommen. Des weiteren ist der Auftraggeber verpflichtet und berechtigt, die Programme nur in dem vom Steuerberater vorgeschriebenen Umfang zu vervielfaltigen. Der Auftraggeber darf die Programme nicht verbreiten. Der Steuerberater bleibt Inhaber der Nutzungsrechte. Der Auftraggeber hat alles zu unterlassen, was der Ausubung der Nutzungsrechte an den Programmen durch den Steuerberater entgegensteht.

(5) Unterlasst der Auftraggeber eine ihm nach Nr. 6 Abs. 1 bis 4 oder sonst wie obliegende Mitwirkung oder kommt er mit der Annahme der vom Steuerberater angebotenen Leistung in Verzug, so ist der Steuerberater berechtigt, eine angemessene Frist mit der Erklarung zu bestimmen, das ser die Fortsetzung des Vertrags nach Ablauf der Frist ablehnt. Nach erfolglosem Ablauf der Frist Darf der Steuerberater den Vertrag fristlos kundigen (vgl. Nr. 8 Abs. 3). Unberuhrt bleibt der Anspruch des Steuerberaters auf Ersatz der ihm durch den Verzug oder die unterlassene Mitwirkung des Auftraggebers entstandenen Mehraufwendungen sowie des verursachten Schadens, und zwar auch dann, wenn der Steuerberater von dem Kundigungsrecht keinen Gebrauch macht.

7. Bemessung der Vergutung, Vorschuss

(1) Die Vergutung (Gebuhren und Auslagenersatz) des Steuerberaters fur seine Berufstatigkeit nach § 33 StBerG Bemisst sich nach der Vergutungsverordnung fur Steuerberater, Steuerbelollmachtigte und Steuerberatungsgesellschaften, es sei denn, es ware eine Vereinbarung gemaB § 4 'StBVV uber eine hohere Vergutung getroffen worden.

(2) Fur Tatigkeiten, die in der Vergutungswerordnung keine Regelung erfahren (z. B. § 57 Abs. 3 Nrn. 2 und 3 StBerG), gilt die vereinbarte Vergutung, anderenfalls die fur diese Tatigkeit vorgesehene gesetzliche Vergutung, ansonsten die ubliche Vergutung (§ 612 Abs. 2 und § 632 Abs. 2BGB.

(3) Eine Aufrechnung gegenuber einem Vergutungsanspruch des Steuerberaters ist nur mit unbestrittenen oder rechtskraftig festgestellten Forderungen zulassig.

(4) Fur bereits entstandene und die voraussichtlich entstehenden Gebuhren und Auslagen kann der Steuerberater einen Vorschuss fordern. Wird der eingeforderte Vorschuss nicht gezahlt, kann der Steuerberater nach vorheriger Ankundigung seine weitere Tatigkeit fur den Mandanten einstellen, bis der Vorschuss eingeht. Der Steuerberater ist verpflichtet, seine Absicht, die tatigkeit einzustellen, dem Mandanten rechtzeitig bekanntzugeben, wenn dem Auftraggeber Nachteile au seiner Einstellung der Tatigkeit erwachsen konnen.

8. Beendigung des Vertrags

(1) Der Vertrag endet durch Erfullung der vereinbarten Leistungen, durch Ablauf der vereinbarten Laufzeit oder durch Kundigung. Der Vertrag endet nicht durch den Tod durch den Eintritt der Geschaftsunfahigkeit des Auftraggebers order im Falle einer Gesellschaft durch deren Auflosung

(2) Der Vertrag kann-wenn und soweit er einen Deinstvertrag im Sinne der §§ 611, 675 BGB darstellt-von jedem Vertragspartner auBerordentlich nach MaBgabe des § 627 BGB gekundigt warden; die kundigung hat schriftlich zu erfolgen. Soweit im Einzelfall hiervon abgewichen warden soll, bedarf e seiner schriftlichen Vereinbarung, die gesondert zu erstellen ist und dem Auftraggeber ausgehandigt warden soll.

(3) Bei Kundigung des Vertrags durch den Steuerberater sind zur Vermeidung von Rechtsverlusten des Auftraggebers in jedem Fall noch diejenigen Handlungen vorzunehmen, die zumutbar sind und keinen Aufschub dulden (z.B Fristverlangerungsantrag bai drohendem Fristablauf). Auch fur diese Handlungen haftet der Steuerberater nach Nr. 5.

(4) Der Steuerberater ist verpflichtet, dem Auftraggeber alles, was er zur Ausfuhrung des Auftrags erhalt oder erhalten hat und was era us der Geschaftsbesorgung erlangt, herauszugeben. AuBerdem ist der Steuerberater verpflichtet, dem Auftraggeber die erforderlichen Nachrichten zu geben, auf Verlangen uber den Stand der Angelegenheit Auskunft zu erteilen und Rechenschaft abzulegen.

(5) Mit Beendigung des Vertrags hat der Auftraggeber dem Steuerberater die bei ihm zur Ausfuhrung des Auftrags eingesetzten Datenverarbeitungsprogramme einschlieBlich angefertigter Kopien sowie sonstige programmunterlagen unverzuglich herauszugeben bzw. Von der Festplatte zu loschen.

(6) Nach Beendigung des Mandatsverhaltnisses sind die Unterlagen beim Steuerberater abzuholen.

9. Vergutungsanspruch bei vorzeitiger Beendigung des Vertrags

Endet der Auftrag vor seiner vollstandigen Ausfuhrung, so richtet sich der Vergutungsanspruch des Steuerberaters nach dem Gesetz. Soweit im Einzelfall hiervon abgewichen warden soll, bedarf e seiner schriftlichen Vereinbarung, die gesondert zu erstellen ist und dem Auftraggeber ausgehandigt warden soll.

10. Aufbewahrung, Herausgabe und Zuruckbehaltungsrecht von Arbeitsergebnissen und Unterlagen

(1) Der Steuerberater hat die Handakten auf die Dauer von zehn Jahner nach Beendigung des Auftrags aufzubewahren. Diese Verpflichtung erlischt jedoch schon vor Beendigung dieses Zeitraums, wenn der Steuerberater dem auftraggeber schriftlich aufgefordert hat, die Handakten in Empfang zu nehmen, und der Auftragge ber dieser Aufforderung binnen sechs Monaten, nachdem er sie erhalten hat, nicht nachgekommen ist.

(2) Zu den Handakten im Sinne dieser Vorschrift gehoren alle Schriftstucke, die der Steuerberater aus Anlass seiner beruflichen Tatigkeit von dem Auftraggeber oder fur ihn erhalten hat. Dies gilt jedoch nicht fur den Briefwechsel zwischen dem Steuerberater und seinem Auftraggeber und fur die Schriftstucke, die dieser bereits in Urschrift oder Abschrift erhalten hat, sowie fur die zu internen zwecken gefertigten Arbeitspapiere.

(3) Auf Anforderung des Auftraggebers, spatestens nach Beendigung des Auftrags, hat der Steuerberater dem Auftraggeber die Handakten innerhalb einer angemessenen Frist herauszugeben. Der Steuerberater kann von Unterlagen, die er an den Auftraggeber zuruckgibt, abschriften oder Fotokopien anfertigen und zuruckbehalten.

(4) Der Steuerberater kann die Herausgabe seiner Arbeitsergebnisse und der Handakten verweigern, bis wegen seiner Gebuhren und Auslagen befriedigt ist. Dies gilt nicht, soweit die Zuruckbehaltung nach den Umstanden, insbesondere wegen verhaltnismaBiger Geringfugigkeit der geschuldeten Betrage, gegen Treu und Glauben verstoBen wurde. Big zur Beseitigung vom Auftraggeber rechtzeitig geltend gemachter Mange list der Auftraggeber zur Zuruckbehaltung eines angemessenen Teils der Vergutung berechtigt.

11. Anzuwendendes Recht und Erfullungsort

(1) Fur den Auftrag, seine Ausfuhrung und die sich hieraus ergebenden Anspruche gilt nur deutsches Recht.

(2) Erfullungsort ist der Wohnsitz des Auftraggebers, wenn er nicht Kaufmann im Sinne des HGB ist, ansonsten der Sitz des Steuerberaters.

12. Wirksamkeit bei Teilnichtigkeit; Anderungen und Erganzungen

(1) Falls einzelne Bestimmungen dieser Auftragsbedingungen unwirksam sein oder warden sollten, wird die Wirksamkeit der ubrigen Bestimmungen dadurch nicht beruhrt. Die unwirksame Bestimmung ist durch eine gultige zu ersetzen, die dem angestrebten ziel moglichst nahe kommt.

(2) Anderungen und Erganzungen dieser Auftragsbedingungen bedurfen der Schriftorm.

MULTINATIONAL OSG SERVICES BANGLADESH PVT. LIMITED

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF MULTINATIONAL OSG SERVICES BANGLADESH PVT. LTD.

We have audited the accompanying Financial Statements of Multinational OSG Services Bangladesh Pvt. Ltd. consisting of Statement of Financial Position as at March 31, 2015 together with notes, accounting policies and other explanatory information thereto.

The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the Bangladesh Standards on Auditing (BSA). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates and judgments made by the management, as well as evaluating the overall presentation of financial statements. We have assessed the accounting principles, policies, estimates used and judgments made by the management. We believe that the audit evidence we have obtained is sufficient to provide a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), present fairly the state of Company's affairs as of March 31, 2015 and comply with the Companies Act, 1994 and other applicable laws and regulations;

Dhaka,
April 30, 2015

Shubhankar & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 31 March, 2015

CAPITAL & LIABILITIES	Note	Taka
Authorized Capital		
Authorized Capital, 100,000 Ordinary shares of		
Taka 100 easch		10,000,000
Issued, Subscribed and Paid up Capital	3.02	1,000,000
10,000 Ordinary shares of Taka 100 each fully		
paid.		
Share Money Deposit	3.03	500
		1,000,500
Total Taka		
PROPERTY & ASSET		
Deffered Revenue Expenses	4:00	2,650
Preliminary Expenses	5:00	156,100
Cash in Hand & at Bank	6:00	841,750
		1,000,500
Total Taka		

This should be read in conjunction with the annexed Notes.

Managing Director,

Multinational OSG Services Bangladesh Ltd.

Dated: Dhaka
30 April, 2015

Shubhankar & Co.
Chartered Accountants

Notes of the Statement of Financial Position as at March 31, 2015

Note 1.00 Organization Background and Activities

Note 1.01 Multinational OSG Services Bangladesh was incorporated under the Companies Act, 1994 as a Private Limited Company by shares vide Registration No. C-113829/14 dated February 2, 2014 having prime objectives of carrying on the business as manufacturers, processors, traders,importers, exporters, buyers, sellers, marketers, showroom owners, general commission agent, dealers, distributors, brokers, wholesalers, retailers, exchangers, franchise traders, stockists, jobbers, fabricators or otherwise deal in all kinds of garments etc.

Note 1.02 This is the first financial statements of the company and the company has not yet commenced its operations for which the Income Statement is not prepared. The day to day spending incurred to carry out other recurring activities had been shown under head, Deferred Revenue Expenses.

Note 2.00 Financial Reporting and Accounting Principles

Note 2.01 *Basis of Preparation:* The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

Note 2.02 *Basis of recording and acounting:* The accounts are maintained under accrual basis of accounting along with complying with historical cost basis of accounting.

Note 2.03 Others:

Figures have been rounded off to the nearest Taka.

Note 3.00 Share Capital

Note 3.01 Authorized Capital — **Tk. 10,000,000**

The Authorized Capital of the Company is Taka 10,000,000 (Taka one crore) only divided into 100,000 ordinary shares of Taka 100 (Taka one hundred) each.

Note 3.02 Issued, Subscribed and Paid up Capital — **Tk.1,000,000**

This represents the sum received on account of 1,600 Ordinary Shares of Tk. 100 each held by the shareholders in the following manner :

Name of Shareholders	Shares	Taka
1. Multinationl OSG Services Bangladeh Pvt Ltd.	9,700	970,000
2. Mr. Carlos Maurice Coene	100	10,000
3. Md. Shahed Mahmud	100	10,000
4. Mr. Pallak Seth	100	10,000
	10,000	1,000,000

Note 3.03 Share Money Deposit — **TK.500**

This is the residual amount after converting the share money deposit into share capital.

Note 4.04 Deferred Revenue Expenses — **Tk.2,535**

This represents the aggregate sum of expenditure incurred prior to commencement of company's commercial activities, the make-up whereof is as under.

Bank service charges	2,500
Excise duty	150
	2,650

Note 5.00 Preliminary Expenses — **TK. 156100**

These expenses are legal and secretarial costs, expenditure to open a new facility of business (pre-organization costs).

Note 6.00 Cash in hand & at Bank: — **TK. 841,750**

The make-up of the sum is as under:

Cash in Hand	-
Cash at Bank- National Bank Ltd.	841,750
	841,750

Soham for Kids, Hyderabad
Plot No. 176, Green Hills Colony, Mallapur, Hyderabad, Andhra Pradesh, India

Soham for All Center of HOPE, Bangladesh
Aicha Nowadda, Ward-7, Birulia Road Savar, Dhaka, Bangladesh

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