



# IQBAL YASIR & COMPANY

## CHARTERED ACCOUNTANTS

### REVIEW REPORT ON PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

We have reviewed the annexed proforma consolidated financial statements of EDTRIN GROUP LIMITED and its subsidiary FINPA NEW MEDIA (PRIVATE) LIMITED, which comprise the proforma consolidated statement of financial position as at July 31, 2014, and the proforma consolidated statement of comprehensive income, proforma consolidated statement of other comprehensive income, proforma consolidated statement of cash flows and proforma consolidated statement of changes in equity for the period from March 4, 2014 to July 31, 2014, and a summary of significant accounting policies and other explanatory information which has been adjusted for the net effect of the issue of US \$ 250,000 of additional share capital as if that capital was issued as at July 31, 2014 and FINPA NEW MEDIA (PRIVATE) LIMITED has been acquired on July 31, 2014.

Management is responsible for the preparation of these proforma consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Our responsibility is to express a conclusion on the annexed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The reviewer performs procedures, primarily consisting of making inquiries of management and others within the company, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Based on our review, the net effect of induction of issued, subscribed and paid up capital of US \$ 250,000/- and FINPA NEW MEDIA (PRIVATE) LIMITED has been acquired on July 31, 2014 on the last audited consolidated financial statements, nothing has come to our attention that causes us to believe that these proforma consolidated financial statements do not present fairly, in all material respects, the financial position of the company as at July 31, 2014, and of its financial performance for the period from March 4, 2014 to July 31, 2014, in accordance with the International Financial Reporting Standard.

Lahore  
Dated: 13 NOV 2014

*Iqbal Yasir*  
Iqbal Yasir and Company  
(Chartered Accountants)



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**EDTRIN GROUP LIMITED**  
**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JULY 31, 2014**

	Note	41,851 USD
<b>ASSETS</b>		
<b><u>NON CURRENT ASSETS</u></b>		
Property, plant & equipment	4	-
Intangibles	5	454,462
Preliminary expenses		311,543
Goodwill		2,688,697
Finpa deposits	6	50,000
		3,504,702
<b><u>CURRENT ASSETS</u></b>		
Trade and other receiveables		56,084
Finpa deposits		37,200
Cash and bank balance	7	402,121
		495,404
<b>TOTAL ASSETS</b>		<u><u>4,000,107</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b><u>SHARE CAPITAL AND RESERVES</u></b>		
Authorized share capital	8	14,000,001
Issued, subscribed and paid up capital	9	3,375,784
Share premium	9	501,985
Retained earnings		(359,954)
		3,517,815
<b><u>NON CURRENT LIABILITIES</u></b>		
Borrowings		174,723
<b><u>CURRENT LIABILITIES</u></b>		
Trade and other payables	10	185,980
Borrowings	11	121,589
		307,569
<b>CONTINGENCIES AND COMMITMENTS</b>	12	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,000,107</u></u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



**DIRECTOR**



**DIRECTOR**

**EDTRIN GROUP LIMITED**  
**PROFORMA CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**FOR THE PERIOD FROM MARCH 04, 2014 TO JULY 31, 2014**

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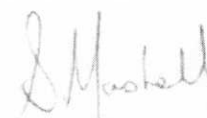
	Note	31-07-2014 USD
<b>Revenue</b>		
Interest income		236
Exchange gain		109
		<u>345</u>
<b>EXPENSES</b>		
Commission, fee and professional charges		225,811
Administrative expenses		9,500
Staff salaries and benefits		102,480
Finance cost		22,508
		<u>360,299</u>
<b>Loss for the period</b>		<u><u>(359,954)</u></u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



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**DIRECTOR**



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**DIRECTOR**

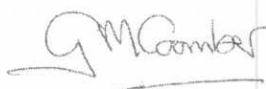
ANCHOR CAPITAL LIMITED

**PROFORMA CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM MARCH 04, 2014 TO JULY 31, 2014**

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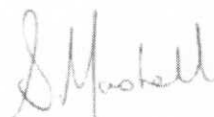
	Note	31-07-2014 USD
Loss for the period		(359,954)
Other comprehensive income		-
Total comprehensive loss for the period		<u><u>(359,954)</u></u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



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**DIRECTOR**



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**DIRECTOR**

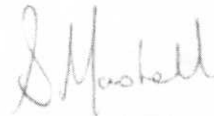
**EDTRIN GROUP LIMITED**  
**PROFORMA CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM MARCH 04, 2014 TO JULY 31, 2014**

	Share Capital	Share Premium	Total Comprehensive loss	Total
	USD			
Shares issued during the period	3,375,784	501,985	-	3,877,769
Total comprehensive loss for the period	-	-	(359,954)	(359,954)
<b>Balance as at July 31, 2014</b>	<b>3,375,784</b>	<b>501,985</b>	<b>(359,954)</b>	<b>3,517,815</b>

The annexed notes from 1 to 14 form an integral part of these financial statements.



**DIRECTOR**



**DIRECTOR**

**EDTRIN GROUP LIMITED**  
**PROFORMA CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM MARCH 04, 2014 TO JULY 31, 2014**

	Notes	31-07-2014
		USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax		(359,954)
Adjustments for:		
- finance cost		22,508
- goodwill		(2,688,697)
		(2,666,189)
<b>Operating loss before working capital changes</b>		(3,026,144)
<b>WORKING CAPITAL CHANGES</b>		
Increase in trade and other receiveables		(56,084)
Increase in Finpa deposits		(37,200)
Increase in trade and other payables		185,980
		92,696
<b>Cash used in operations</b>		(2,933,448)
Less: Finance cost paid		(22,508)
<b>Net cash outflows from operating activities</b>		(2,955,956)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Intangibles		(454,462)
Finpa deposits		(50,000)
Preliminary expenses		(311,543)
<b>Net cash outflows from investing activities</b>		(816,005)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued during the period		3,375,784
Share premium		501,985
Short term borrowings		121,589
Long term borrowings		174,723
<b>Net cash inflows from financing activities</b>		4,174,081
<b>Net Increase in cash and cash equivalents</b>		402,120
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		402,120

The annexed notes from 1 to 14 form an integral part of these financial statements.



**DIRECTOR**



**DIRECTOR**

**EDTRIN GROUP LIMITED**  
**NOTES TO THE PROFORMA FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM MARCH 04, 2014 TO JULY 31, 2014**

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**1. STATUS AND NATURE OF BUSINESS**

The group consists of the following companies:

**1.1 Holding company**

The company was incorporated on March 04, 2014 as a limited liability company. The main activities of the company are to provide electronic education & training course, development of education & training course content and software development. The registered office of the company is situated at Asiatic Trust Samoa Limited, at Level 2, Lotemau Centre, Vaed Street, Apia Samoa.

**1.2 Subsidiary company**

Finpa New Media Pty Limited is a private limited liability company incorporated and domiciled in Australia. The principal activities of the company are online training and software development. There have been no significant changes in the nature of these activities during the financial year.

**The registered office of the company is as follows:**

Level 6  
84 William Street  
Melbourne 3000,  
Australia.

**The address of the principal place of business of the company is as follows:**

406 Queens Parade ,  
Clifton Hill,  
VIC 3068,  
Australia.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**2.1 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and its subsidiary made up to June 30, 2014 using uniting of interest method. Under the uniting of interest method, the cost of the business combination is measured at the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity.

At the acquisition date, the cost of the business combination is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at closing values at the acquisition date. The excess of the cost of the business combination over the Group's interest in the net closing value of the identifiable assets, liabilities and contingent liabilities, the group will:

A). Reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

B). Recognise immediately in profit or loss any excess remaining after that assessment.

Subsidiaries are consolidated from the acquisition date, which is the date on which the group effectively obtains control, until the date on which the group ceases to control the subsidiaries. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable are taken into the account.

Intragroup balances, transactions and unrealised gains and losses on the intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing consolidated financial statements.

The gain or loss on the disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognized in the consolidated statement of comprehensive income.

Under the uniting of interest method, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued. Non-controlling interest is that portion of the profit or loss and net assets of the subsidiary attributable to the equity interests that are not owned, directly and indirectly through subsidiaries, by the group. It is measured at the Non-controlling interest share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the Non-controlling interest share of changes in the subsidiaries' equity since that date.

## **2.2 Statement of compliance**

These financial statements have been prepared in accordance with the International Financial and Reporting Standards and the requirements of the Samoa's International Companies Act, 1987. In case requirements differ, the provisions or directives of the International Companies Act, 1987 shall prevail.

## **3. SIGNIFICANT OF ACCOUNTING POLICIES**

### **3.1 Basis of preparation**

The financial statements of the group and of the company have been prepared under the historical cost convention.

### **3.2 Property, plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The plants are depreciated on the reducing balance method to write off the cost of the assets to their residual value over their estimated useful life.

### **3.3 Intangible assets**

Intangible assets comprise of softwares stated at a cost and is amortised on a straight line basis over its estimated useful life.



### **3.4 Trade receivables**

Receivables are stated at anticipated realizable value. Bad debts are written off in the period in which they are identified. Allowance for bad and doubtful debts is made on estimates of possible losses which may arise from non-collection of certain debts.

### **3.5 Trade creditors**

Payables are stated at their nominal values which are the fair values of the consideration to be paid in the future for goods and services received.

### **3.6 Cash and cash equivalent**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and fixed deposits pledged.

### **3.7 Taxation**

Income tax on the profit and loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date. Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill. 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 the deferred taxes relate to the same tax authority.

### **3.8 Foreign currencies**

Transactions in foreign currencies during the financial year are converted into US Dollars at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into US Dollars at exchange rates ruling at that date. All exchange gains or losses are dealt with in the income statement.

### **3.9 Translation of foreign operations**

Items included in the financial statements of each of Edtrin's entities 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 US Dollar (USD\$) which is the Parent company's functional and presentation currency.

### **3.10 Functional currency**

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 of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. The financial statements of subsidiary Finpa New Media Pty Limited is consolidated at the rate of 1 AUD= 1.0594 USD at the acquisition date of 30 June, 2014 and at the reporting date of June 30, 2014.

### **3.11 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably. revenue is shown at value of goods sold and services rendered net of return inwards and discounts allowed. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyers.

### **3.12 Impairment of assets**

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's net selling price and value in use. An impairment loss is recognised whenever the carrying amount of the asset exceeds its recoverable amount. The impairment loss is charged to the income statement immediately. Any subsequent increase in recoverable amount of an asset is recognised as reversal of previous impairment loss and should not exceed the carrying amount that would have been determined (net of depreciation, if applicable) had no impairment loss been previously recognised for the asset.

### **3.13 Financial instruments**

Financial instruments are recognised in the Balance Sheet when the Company is a party to the contractual provision of the instruments. The recognised financial instruments of the company in the Balance Sheet comprise cash and cash equivalents, trade receivables and payables that arise directly from its operations, non-trade receivables and payables arising from transactions entered into in the normal course of business, borrowings, and ordinary share capital. The accounting of measurement applied, are disclosed above. The information on the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	COST				Rate %	DEPRECIATION			WDV as on July 31, 2014
	As on March 04, 2014	Acquired in business combination	Additions	As on July 31, 2014		As on March 04, 2014	For the Period	As on July 31, 2014	
	----- (USD) -----					----- (USD) -----			
Plant & Equipment	-	22,326	-	22,326	15	-	-	22,326	-
Low value Pool	-	25,944	-	25,944	15	-	-	25,944	-
STS Long Life Pool	-	32,547	-	32,547	15	-	-	32,547	-
Computers	-	17,586	-	17,586	30	-	-	17,586	-
Total as at June 30, 2014	-	98,402		98,402		-	-	98,402	-

5. NON-CURRENT ASSETS-INTANGIBLES

Particulars	COST				Rate %	DEPRECIATION			WDV as on July 31, 2014
	As on March 04, 2014	Acquired in business combination	Additions	As on July 31, 2014		As on March 04, 2014	For the Period	As on July 31, 2014	
	----- (USD) -----					----- (USD) -----			
Software	-	408,662	-	408,662	25	-	-	215,641	193,022
Fel Online Catalogue & Hostel Software	-	727,816	-	727,816	25	-	-	466,375	261,441
Total as at June 30, 2014	-	1,136,479		1,136,479		-	-	682,016	454,462

USD  
31-07-2014

**6. FINPA DEPOSITS**

This represents amount paid to Finpa New Madia Pty Limited  
for use as working capital by way of non-refundable deposit.

50,000

**7. CASH AND BANK BALANCE**

Cash in hand

240,500

Cash at bank:

- current accounts

161,621

402,121

**8. SHARE CAPITAL**

**Authorized share capital**

1,000,000,000 ordinary shares of USD 0.01 each

10,000,000

400,000,000 convertible shares of USD 0.01 each

4,000,000

1 founder share of USD 1.00 each

1

14,000,001

**9. Issued, subscribes and paid up share capital**

28,721,800 ordinary shares of USD 0.01 per share each in cash

287,218

34,303,231 ordinary shares of USD 0.01 per share each in kind

343,032

274,553,450 convertible preferred shares of US \$ 0.01 each

2,745,534

3,375,784

**Share premium**

1,120,000 ordinary shares of USD 0.1786 at premium per share each

200,032

655,200 ordinary shares of USD 0.1963 at premium per share each

128,616

436,800 ordinary shares of USD 0.2240 at premium per share each

97,843

323,315 ordinary shares of USD 0.2335 at premium per share each

75,494

501,985

**10. TRADE AND OTHER PAYABLES**

Trade payables

143,448

BAS Payables

(10,492)

Other payables

53,024

185,980

**11. BORROWINGS**

80,218

Bank Overdraft

41,372

Related Party Loan

121,589

**12. CONTINGENCIES AND COMMITMENTS**

**CONTINGENCIES:**

There were no contingencies as on the balance sheet date.

**COMMITMENTS:**

There were no capital commitments as on the balance sheet date.

**13. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been approved and authorized for issue on \_\_\_\_\_ by the Board of Directors of the company.

**14. GENERAL**

- Figures have been rounded off to the nearest US Dollar.



**DIRECTOR**



**DIRECTOR**