Spice Digital FZCO
Dubai Airport Free Zone
Dubai

Financial Statements
31 March 2021

MOORE

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

T +971 (0)4 2820811 / 2820783
F +971 (0)4 2820812

www.moore-uae.ae

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SPICE DIGITAL FZCO, DUBAI AIRPORT FREE ZONE, DUBAI

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Spice Digital FZCO, Dubai ("the Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in shareholder's funds and statement of cash flows for the year then ended, and notes to the financial statements, including the significant accounting policies set out in pages 3 to 18.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 3.3 in the financial statements, which indicates that the Company incurred a net loss of AED 432,380 during the year ended 31 March 2021 and, as of that date, the Company reported accumulated losses of AED 3,005,978 which exceeded its share capital. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Continued...

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SPICE DIGITAL FZCO, DUBAI AIRPORT FREE ZONE, DUBAI (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Regulatory Requirements

In our opinion, all the necessary books of accounts and other records have been maintained in accordance with the provisions of the implementing regulations issued there under by the Dubai Airport Free Zone pursuant to Implementing Regulations No.1 of 2000, Pursuant Law No.2 of 1996 and its Amendment No. 2 of 2000 of H.H. Shaikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and the UAE Federal Law No. 2 of 2015 regarding Commercial Companies and its amendments and decisions made for Free Zone Companies. We have obtained all information and explanations which are necessary for the purpose of the audit and to the best of our knowledge and belief no violation of the above applicable laws came to our attention which would materially affect the Company's financial position.

Moore Stephens

Moore Stephens

Farad K. Lakdawala
Registration No.: 341

Dubai
23 May 2021

Statement of comprehensive income

(stated in AED)

	Note	2021	2020
Income			
Revenue from contracts with customers	3.4 a) and 4	**225,709**	86,726
Direct costs	5	**(90,482)**	(69,000)
Gross profit		**135,227**	17,726
Other income	6	**3,675**	133,940
		138,902	151,666
Expenses			
General and administration	7	**567,663**	650,251
Depreciation	8	**3,619**	4,836
Impairment loss on financial assets	16.1 b)	**--**	1,865
		571,282	656,952
Loss and total comprehensive loss for the year		**(432,380)**	(505,286)

The attached notes 1 to 17 form part of these financial statements.

Statement of financial position

(stated in AED)

	Note	2021	2020
Assets			
Non-current assets			
Equipment	8	**2,236**	5,855
Total non-current assets		**2,236**	5,855
Current assets			
Accounts and other receivables	9	**393,701**	156,208
Bank and cash balances	10	**55,487**	217,266
Total current assets		**449,188**	373,474
Total assets		**451,424**	379,329
Shareholder's funds and liabilities			
Shareholder's funds			
Share capital	11	**150,000**	150,000
Shareholder's current account	12	**(150,000)**	(150,000)
Accumulated losses		**(3,005,978)**	(2,573,598)
Total (deficiency of assets)		**(3,005,978)**	(2,573,598)
Shareholder's loan	13	**3,357,920**	2,660,826
Total shareholder's funds		**351,942**	87,228
Liabilities			
Current liabilities			
Accounts and other payables	14	**99,482**	292,101
Total current liabilities		**99,482**	292,101
Total liabilities		**99,482**	292,101
Total shareholder's funds and liabilities		**451,424**	379,329

The attached notes 1 to 17 form part of these financial statements.

Managing Director
23 May 2021

Statement of changes in shareholder's funds

(stated in AED)

	Share capital	Shareholder's current account	Accumulated losses	Sub total	Shareholder's loan	Total
Balance at 1 April 2020	**150,000**	**(150,000)**	**(2,573,598)**	**(2,573,598)**	**2,660,826**	**87,228**
Total comprehensive loss for the year	--	--	**(432,380)**	**(432,380)**	--	**(432,380)**
Net movements during the year	--	--	--	--	**697,094**	**697,094**
Balance at 31 March 2021	**150,000**	**(150,000)**	**(3,005,978)**	**(3,005,978)**	**3,357,920**	**351,942**

	Share capital	Shareholder's current account	Accumulated losses	Sub total	Shareholder's loan	Total
Balance at 1 April 2019	150,000	(150,000)	(2,068,312)	(2,068,312)	1,954,251	(114,061)
Total comprehensive loss for the year	--	--	(505,286)	(505,286)	--	(505,286)
Net movements during the year	--	--	--	--	706,575	706,575
Balance at 31 March 2020	150,000	(150,000)	(2,573,598)	(2,573,598)	2,660,826	87,228

The attached notes 1 to 17 form part of these financial statements.

Statement of cash flows

(stated in AED)

	Note	2021	2020
Cash flows from operating activities			
Loss for the year		**(432,380)**	(505,286)
Adjustments for:			
Loss/(gain) on foreign exchange fluctuation	7	**183,374**	(103,572)
(Reversal) for employees' terminal benefits		--	(8,126)
Impairment loss on financial assets	16.1 b)	--	1,865
Depreciation	8	**3,619**	4,836
Cash flows (used in) operations before working capital changes		**(245,387)**	(610,283)
(Increase) in accounts and other receivables		**(237,493)**	69,271
(Decrease) in accounts and other payables		**(192,619)**	(76,832)
Employees' terminal benefits paid during the year		--	(4,728)
Net cash (used in) operating activities		**(675,499)**	(622,572)
Cash flows from financing activity			
Net movement in shareholder's loan		**513,720**	810,147
Net cash from financing activity		**513,720**	810,147
(Decrease)/increase in cash and cash equivalents during the year		**(161,779)**	187,575
Cash and cash equivalents at the beginning of the year		**217,266**	29,691
Cash and cash equivalents at the end of the year	10	**55,487**	217,266

The attached notes 1 to 17 form part of these financial statements.

Notes to the financial statements

(stated in AED)

1. Legal status and principal activities

Spice Digital FZCO, Dubai Airport Free Zone, Dubai ("the Company") as a free zone company with limited liability company pursuant to the requirements under provisions of the Dubai Airport Free Zone implementing regulations of 1998 pursuant to Law No. (2) of 1996 and its amendment Law No. (2) of 2000 amendment Law No. (25) of 2009 of H.H. Ruler of Dubai.

The principal activity of the Company is acting as a Computer software house. The principal place of the business of the Company is located at unit no. 4WA West Side G12, Dubai Airport Free Zone, Dubai. The Company is a wholly owned subsidiary of S Global Services PTE Limited, Singapore.

The Company is managed by Mr. Rohit Ahuja.

2. Adoption of new and revised International Financial Reporting Standards

2.1 Amended standards adopted by the Company

The Company has adopted the following applicable amended IFRSs as of 1 April 2020:

- Amendments to IAS 1, "Presentation of Financial Statements" and IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" clarify the definition of 'material' across the standards. The new definition states that, 'information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

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

2.2 Amendments to existing standards that are not yet effective and have not been adopted early by the Company

The following amendments to existing standards that are applicable to the Company have been published and are mandatory for accounting periods of the Company beginning after 1 April 2020 but which have not been adopted early by the Company:

a) Amendments to IAS 1, "Presentation of Financial Statements" clarify the requirements for presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. The amendments are effective for annual periods commencing on or after 1 January 2023.

b) Amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' specify the costs that an entity includes when assessing whether a contract will be loss-making. The amendments are applicable for annual periods commencing on or after 1 January 2022.

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

3. Basis of preparation and significant accounting policies and estimates

3.1 Basis of preparation

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

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

3.2 Basis of preparation

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

3.3 Basis of measurement

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

3.4 Going concern assumption

These financial statements are prepared on a going concern basis which assumes that the Company will continue to operate as a going concern for the foreseeable future. The Company incurred a loss of AED 432,380 for the year ended 31 March 2021 (2020: loss of AED 505,286). At the reporting date, the Company's accumulated losses amounting to AED 3,005,978 (2020: AED 2,573,598) exceeded the share capital. In order to support the continuance of the Company's operations, the shareholder has confirmed its intention to continue the operations and provide sufficient funds as may be necessary to meet liabilities as they fall due for the foreseeable future. Management has no reason to doubt that the shareholder will not continue to support the Company, as requested.

3.5 Significant accounting policies

a) Revenue recognition

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Rendering of services
Revenue is recognised over time as the telecommunication, IT configuration, integration and implementation services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed. In case of SMS contracts, the Company recognises revenue at a point in time when the control of services is transferred to the customer. The payment is generally due upon 30 days upon performance of the service.

Advances from customers
The Company generally receives short-term advances from its customers. For short-term advances received from customers, the Company used the practical expedient. As such, the Company will not adjust the promised amount of the consideration for the effects of a financing component in contracts, where the Company expects, at contract inception, that the period between the time the customer pays for the services and when the Company rendered that promised services to customer will be one year or less.

b) Contract assets

The timing of revenue recognition, billings and collections may result in contract assets and trade accounts receivables.

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Contract assets are initially recognised for revenue earned on work completed as receipt of consideration is conditional on completion of work done and acceptance by the customer, at which point the contract assets are reclassified to trade accounts receivable. Contract assets are presented under accounts and other receivables in the financial statements.

The contract assets are transferred to trade accounts receivable when the rights become unconditional (i.e. only the passage of time is required before payment of the consideration is due), which usually occurs when the Company issues an invoice to the customer.

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

3.4 Significant accounting policies (Continued)

c) Equipment

Equipment is stated in the statement of financial position at cost less accumulated depreciation and any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

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

Office equipment	7 years
Computer	3 years

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

d) Impairment of non-financial assets

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

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

e) Financial instruments – recognition, classification, measurement, derecognition and offsetting

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.

(i) Recognition and initial measurement

Trade accounts receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets: Classification
On initial recognition, a financial asset is classified and measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVPL).

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

3.4 **Significant accounting policies (Continued)**

e) **Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)**

(ii) Classification and subsequent measurement (Continued)

The Company does not have any financial asset that is classified and measured at either FVPL or FVOCI. All recognised financial assets are classified and measured at amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL or FVOCI:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets which are all classified and subsequently measured at amortised cost include accounts and other receivables and bank and cash balances.

Financial assets: Subsequent measurement and gains and losses
Financial assets at amortised cost and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of comprehensive income. Any gain or loss on derecognition is recognised in the statement of comprehensive income.

Financial liabilities: Classification, subsequent measurement and gains and losses
Financial liabilities are classified and measured at amortised cost or FVPL. The Company does not have any financial liability that is classified and measured at FVPL. Financial liabilities classified at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in the statement of comprehensive income.

The Company's financial liabilities include accounts and other payables which are classified and subsequently measured at amortised cost.

(iii) Derecognition

Financial assets
A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

(i) the rights to receive cash flows from the asset have expired;

(ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

(iii) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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 the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

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

3.4 Significant accounting policies (Continued)

e) Financial instruments – recognition, classification, measurement, derecognition and offsetting (Continued)

(iv) Offsetting

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

f) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade accounts receivable and contract assets; and
- Other financial assets measured at amortised cost.

In case of trade accounts receivable and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The Company performs individual assessment for its trade accounts receivable and contract assets based on historical credit loss experience, adjusted for forward-looking factors specific to the customers/debtors and the economic environment. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of comprehensive income.

g) Accounts and other payables

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

h) Cash and cash equivalents

Cash and cash equivalents consist of unrestricted cash and bank balances, which are subject to insignificant risk of changes in value.

i) Foreign currencies

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

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

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

3.4 Significant accounting policies (Continued)

j) Operating leases

At the inception of the contract, the Company assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this maybe specified explicitly or implicitly in the contract and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not an identified asset;

- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset, i.e., the Company has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used

Short-term leases
The Company has elected not to recognise right-of-use asset and lease liability for short-term lease of office premises that has a lease term of 12 months or less. The Company recognises the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

k) Contingent liabilities

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

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

3.5 Significant accounting estimates, judgements and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

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

IFRS 15, 'Revenue from contracts with customers'

The application of revenue recognition policy in accordance with IFRS 15 has required management to make the following judgements:

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

3.5 Significant accounting estimates, judgements and assumptions (Continued)

IFRS 15, 'Revenue from contracts with customers' (Continued)

Satisfaction of performance obligation
The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine appropriate method of recognising revenue. The Company has assessed that based on the contract, revenue is recognised over time based on surveys of work performed since the customer simultaneously enjoys the benefits of the services provided as and when the Company performs. In the case of SMS contracts, revenue is recognised at a point in time when the control of services is passed on to the customer.

Determination of transaction prices
The Company is required to determine the transaction prices in respect of each of its contracts with customers. In making such judgement, the Company assesses the impact of any variable consideration in the contract, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Trade accounts receivable and contract assets
The Company's credit risk is primarily attributable to its trade accounts receivable and contract assets. The Company reviews its trade accounts receivable and contract assets to assess impairment at regular intervals. In determining whether impairment losses should be reported in the statement of comprehensive income, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience and forward-looking estimates, is evidence of a reduction in the recoverability of the cash flows.

Cash and cash equivalents
Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

Impairment of equipment

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

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

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

Useful lives of equipment

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

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

3.5 **Significant accounting estimates, judgements and assumptions (Continued)**

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there has been no revision in the lease terms.

4. **Revenue from contracts with customers**

The following sets out the disaggregation of the Company's revenue from contract from customers:

a) Type of revenue

	2021	2020
Telecommunication services	**225,709**	--
IT configuration, integration and implementation services	**--**	86,726
	225,709	86,726

All the other remaining performance obligations are expected to be recognised within one year, hence the Company has used the practical expedient not to disclose the amount of the remaining performance obligations for contracts with an original term or duration of less than one year.

5. **Direct costs**

	2021	2020
Cost of services (Note 15)	**90,482**	--
Direct staff costs	**--**	69,000
	90,482	69,000

6. **Other income**

	2021	2020
Gain on foreign exchange fluctuation	**--**	103,572
Unrepresented liabilities written back	**3,675**	30,368
	3,675	133,940

7. **General and administration expenses**

	2021	2020
Consulting and advisory fees	**215,968**	265,250
Loss from foreign exchange fluctuation	**183,374**	--
Short-term lease	**146,000**	146,000
Legal and professional fees	**14,015**	13,520
Salaries and employee related costs	**4,271**	115,825
Conveyance	**169**	87,711
Communication	**50**	2,885
Business promotion expenses	**--**	6,800
Others	**3,816**	12,260
	567,663	650,251

8. **Equipment**

2021	Office equipment	Computer	Total
Cost			
At 1 April 2020	**1,044**	**14,060**	**15,104**
At 31 March 2021	**1,044**	**14,060**	**15,104**
Accumulated depreciation			
At 1 April 2020	**415**	**8,834**	**9,249**
Charge for the year	**144**	**3,475**	**3,619**
At 31 March 2021	**559**	**12,309**	**12,868**
Net book value			
At 31 March 2021	**485**	**1,751**	**2,236**

2020	Office equipment	Computer	Total
Cost			
At 1 April 2019	1,044	14,060	15,104
At 31 March 2020	1,044	14,060	15,104
Accumulated depreciation			
At 1 April 2019	271	4,142	4,413
Charge for the year	144	4,692	4,836
At 31 March 2020	415	8,834	9,249
Net book value			
At 31 March 2020	629	5,226	5,855

9. **Accounts and other receivables**

	2021	2020
Trade accounts receivable	**193,502**	--
Prepaid expenses	**146,427**	145,939
Contract assets	**32,207**	--
VAT recoverable	**21,565**	10,269
	393,701	156,208

a) The Company's assessment of expected credit losses on trade accounts receivable and contract assets is disclosed in Note 16.1 b).

b) The increase in contract assets during the year is the result of unbilled performance obligations that has been satisfied during the subsequent year.

c) Receivables are considered collectible based on historic experience. It is not the practice of the Company to obtain collateral over receivables.

10. **Bank and cash balances**

	2021	2020
Cash on hand	**25,058**	25,058
Bank current accounts	**30,429**	192,208
Cash and cash equivalents in the statement of cash flows	**55,487**	217,266

11. **Share capital**

	2021	2020
Authorised and issued capital		
(150 shares of AED 1,000 each)	**150,000**	150,000
	150,000	150,000

S Global Services PTE Limited, Singapore has 100% (2020: 100%) ownership interest of the Company.

12. **Shareholder's current account**

The shareholder's current account balance is unsecured, interest free and without any defined repayment arrangement.

13. Shareholder's loan

The shareholder's loan is unsecured, interest free and without any defined repayment arrangement. The loan is denominated in Singaporean Dollars (SGD) and is payable at the option of the Company.

14. Accounts and other payables

	2021	2020
Trade accounts payable	--	3,675
Due to related party	90,482	278,076
Accrued expenses	9,000	10,350
	99,482	292,101

15. Related party transactions

Related parties represent shareholder and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Prices and terms of these transactions were approved by the management. The significant transactions with entity under common control during the year are as follows:

	2021	2020
Cost of services (Note 5)	90,482	--

The Company receives application/software development services from a related party free of cost.

Amounts due to related party is in nature of trade accounts payable and is unsecured, interest free and payable on contractual terms.

16. Financial risk and capital management

16.1 Financial risk factors

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

The Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance. Under the Company's risk management programme, management identifies and documents key risks and sets out policies and procedures required to mitigate these risks. No changes were made in the risk management objectives and policies during the years ended 31 March 2021 and 31 March 2020. The identified key risks are:

a) Currency risk

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Company does not hedge foreign currency exposures.

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

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

	2021 AED	2020 AED
Singaporean Dollars (SGD)	3,357,920	2,660,826

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

	2021	2020
Change in currency rate of 5% (+/-) Currency	Effect on loss (+/-) AED	Effect on loss (+/-) AED
Singaporean Dollars (SGD)	167,896	133,041

16. Financial risk and capital management (Continued)

16.1 Financial risk factors (Continued)

b) Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally of bank balances, trade accounts receivable and contract assets.

Bank balances
Credit risk from banks and financial institutions is managed in accordance with the Company's policy. The Company's bank accounts are placed with high credit quality financial institutions.

Trade accounts receivable and contract assets
The credit risk on trade accounts receivables and contract assets are subjected to credit evaluations. The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are defined and are set based on internal and external ratings in accordance with the Company's policies. Outstanding customer receivables and contract assets are regularly monitored.

The Company is not exposed to a concentration of credit risk. At the reporting date, 100% (2020: nil) of the trade accounts receivable and contract assets is due from a single customer (2020: nil).

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

Impairment of financial assets
The Company has the following financial assets that are subject to the expected credit loss model:

a) Trade accounts receivable and contract assets;
b) Cash and cash equivalents; and

The impairment losses on financial assets recognised in the statement of comprehensive income were as follows:

	2021	2020
Impairment loss on trade accounts receivable	--	1,865
Impairment loss on financial assets	--	1,865

Trade accounts receivable and contract assets
The Company applies the simplified approach in measuring expected credit losses by using individual assessment for its trade accounts receivable and contract assets based on historical credit loss experience, adjusted for forward-looking factors specific to the customers/debtors and the economic environment. However, the identified expected credit loss on trade accounts receivable and contract assets is considered immaterial at the reporting date.

Reconciliation of the closing loss allowances for credit impaired trade accounts receivable as at 31 March to the opening loss allowances is as follows:

	2021	2020
Increase in loss allowance during the year	--	1,865
Amounts utilised for write off during the year	--	(1,865)
At 31 March	--	--

Trade accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, failure to agree in a repayment plan with the Company, bankruptcy and closure of business or operations of the customer. Impairment loses on trade accounts receivable are presented as net impairment losses in the statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same account.

16. Financial risk and capital management (Continued)

16.1 Financial risk factors (Continued)

b) Credit risk (Continued)

Cash and cash equivalents
While cash and cash equivalents are also subject to impairment, the identified impairment loss is considered immaterial.

c) Liquidity risk

The Company manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Company maintains good working relations with its banks.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 March 2021 and 31 March 2020, based on contractual payment dates:

2021	*0 to 12 months*	*Total*
Due to related party	**90,482**	**90,482**
Accrued expenses	**9,000**	**9,000**
	99,482	**99,482**

2020	*0 to 12 months*	*Total*
Accounts payable	3,675	3,675
Due to related party	278,076	278,076
Accrued expenses	10,350	10,350
	292,101	292,101

16.2 Capital management

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

The Company sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Company manages the shareholder's funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the shareholder's funds, the Company may adjust the amount of dividends paid to shareholder, return funds to shareholder, issue new shares, or sell assets to reduce its exposure to debt. No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 31 March 2020. Capital comprises share capital, shareholder's current account, shareholder's loan and accumulated losses, and is measured at AED 351,942 as at 31 March 2021 (2020: AED 87,228).

17. Impact of Covid-19

On 11 March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a global pandemic. The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures, that include the implementation of travel bans, self-imposed quarantine periods, self-isolation, physical and social distancing and the closure of non-essential businesses, which have caused only marginal disruption to the Company's operations.

The situation including government and public response to the challenges continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage. Notwithstanding, these developments are not expected to have a significant impact on the Company's future financial results, cash flows and financial position, and the management will continue to monitor and adopt the required mitigating actions during the next financial period.