Spice Digital FZCO
Dubai Airport Free Zone
Dubai

Financial Statements
31 March 2023

MOORE

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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 2023, 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 20.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023, 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 503,832 during the year ended 31 March 2023 and, as of that date, the Company reported accumulated losses of AED 3,830,250 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 in compliance with applicable requirements of Law No. (25) of 2009 concerning the Dubai International Airport Free Zone and the Dubai Airport Free Zone Implementing Regulations 2021, 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.

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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 the Regulatory Requirements

In our opinion, all the necessary books of accounts and other records have been maintained in accordance with the applicable requirements of Law No. (25) of 2009 concerning the Dubai International Airport Free Zone and the Dubai Airport Free Zone Implementing Regulations 2021. 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 law and regulations came to our attention which would materially affect the Company's financial position.

Moore Stephens

Moore Stephens

Farad K. Lakdawala
Registration No.: 341

23 June 2023

Dubai, United Arab Emirates

Statement of comprehensive income

(stated in AED)

	Note	2023	2022
Income			
Revenue from contracts with customers	3.4 a) and 4	**58,955**	153,164
Direct costs	5	**(8,843)**	(19,196)
Gross profit		**50,112**	133,968
Other income	6	**16,955**	55,340
		67,067	189,308
Expenses			
General and administration	7	**412,792**	353,740
Finance charges	8	**1,972**	7,519
Depreciation	9	**136,888**	140,965
Impairment loss on financial asset	18.1 b)	**19,247**	--
		570,899	502,224
Loss and total comprehensive loss for the year		**(503,832)**	(312,916)

The attached notes 1 to 18 form part of these financial statements.

Statement of financial position

(stated in AED)

	Note	2023	2022
Assets			
Non-current asset			
Property and equipment	9	**197**	137,085
Total non-current asset		**197**	137,085
Current assets			
Accounts and other receivables	10	**117,319**	168,852
Bank and cash balances	11	**100,718**	264,420
Total current assets		**218,037**	433,272
Total assets		**218,234**	570,357
Shareholder's funds and liabilities			
Shareholder's funds			
Share capital	12	**150,000**	150,000
Shareholder's current account	13	**(150,000)**	(150,000)
Accumulated losses		**(3,830,250)**	(3,326,418)
Total (deficiency of assets)		**(3,830,250)**	(3,326,418)
Shareholder's loan	14	**3,896,597**	3,695,627
Total shareholder's funds		**66,347**	369,209
Current liability			
Accounts and other payables	16	**151,887**	201,148
Total current liability		**151,887**	201,148
Total liabilities		**151,887**	201,148
Total shareholder's funds and liabilities		**218,234**	570,357

The attached notes 1 to 18 form part of these financial statements.

Managing Director
23 June 2023

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 2022	**150,000**	**(150,000)**	**(3,326,418)**	**(3,326,418)**	**3,695,627**	**369,209**
Total comprehensive loss for the year	**--**	**--**	**(503,832)**	**(503,832)**	**--**	**(503,832)**
Net movements during the year	**--**	**--**	**--**	**--**	**200,970**	**200,970**
Balance at 31 March 2023	**150,000**	**(150,000)**	**(3,830,250)**	**(3,830,250)**	**3,896,597**	**66,347**

	Share capital	Shareholder's current account	Accumulated losses	Sub total	Shareholder's loan	Total
Balance at 1 April 2021	150,000	(150,000)	(3,013,502)	(3,013,502)	3,357,920	344,418
Total comprehensive loss for the year	--	--	(312,916)	(312,916)	--	(312,916)
Net movements during the year	--	--	--	--	337,707	337,707
Balance at 31 March 2022	150,000	(150,000)	(3,326,418)	(3,326,418)	3,695,627	369,209

The attached notes 1 to 18 form part of these financial statements.

Statement of cash flows

(stated in AED)

	Note	2023	2022
Cash flows from operating activities			
Loss for the year		**(503,832)**	(312,916)
Adjustments for:			
(Gain) on foreign exchange fluctuation		**(4,468)**	(19,121)
Interest on lease liability	8	**--**	7,062
Unrepresented liabilities written back	6	**(12,250)**	(36,219)
Depreciation	9	**136,888**	140,965
Impairment losses on financial assets	10, 18.1 b)	**19,247**	--
Cash flows (used in) operations before working capital changes		**(364,415)**	(220,229)
Decrease in accounts and other receivables		**32,286**	81,204
(Decrease)/increase in accounts and other payables		**(32,543)**	137,130
Net cash (used in) operating activities		**(364,672)**	(1,895)
Cash flows from financing activities			
Net movement in shareholder's loan		**200,970**	356,828
Payment of lease liability and interest	15	**--**	(146,000)
Net cash from financing activities		**200,970**	210,828
(Decrease)/increase in cash and cash equivalents during the year		**(163,702)**	208,933
Cash and cash equivalents at the beginning of the year		**264,420**	55,487
Cash and cash equivalents at the end of the year	11	**100,718**	264,420

The attached notes 1 to 18 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") was incorporated on 26 March 2017 in Dubai Airport Fee Zone with limited liability in accordance with the Dubai Airport Free Zone Authority Implementing Regulations No. (1) of 1998 pursuant to Law No. (25) of 2009 concerning the Dubai International Airport Free Zone. On 14 March 2021, the Dubai Airport Free Zone Implementing Regulations 2021 came into effect, which repealed the previous Implementing Regulations.

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. 2W M112 Mezzanine Floor, 2 West, 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 New standards, amendments and interpretations to existing standards effective 1 April 2022

There are no new standards, amendments or interpretations to existing standards that are effective for accounting period of the Company beginning on 1 April 2022 that have a material effect on the financial statements of the Company.

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 2022 but which have not been adopted early by the Company:

a) Amendments to IAS 8, 'Accounting policies, changes in accounting estimates and errors' introduce the definition of accounting estimates. The amendments also help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are applicable for annual periods commencing on or after 1 January 2023.

b) Amendments to IAS 1 'Presentation of financial statements' require an entity to disclose its material accounting policy information rather than its significant accounting policies. Consequently, the IFRS Practice Statement 2 (Making Material Judgements) has also been amended to illustrate how an entity can judge whether accounting policy information is material to its financial statements. The amendments are applicable for annual periods commencing on or after 1 January 2023.

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).

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

3.3 Going concern assumption

These financial statements are prepared on a going concern basis which assumes that the Company will continue to operate as a going concern for the foreseeable future. The Company incurred a loss of AED 503,832 for the year ended 31 March 2023 (2022: AED 312,916). At the reporting date, the Company's accumulated losses amounting to AED 3,830,250 (2022: AED 3,326,418) 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.

3.4 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. 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.

c) Property and equipment

Property and 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.

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

3.4 Significant accounting policies (Continued)

c) Property and equipment (Continued)

The residual values and useful lives of property and 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
Right-of-use asset	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).

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.

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)

Financial assets: Classification (Continued)
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 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 and lease liability 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

As a Lessee
The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset
The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset to restore the underlying asset or the site on which it is located, less any lease incentives received. The Company presents the right-of-use asset that does not meet the definition of investment property within "property and equipment".

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use of asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment (Note 3.4 c)). In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability
Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments) less any lease incentive receivable for the right to use the underlying asset during the lease term that are not paid at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in fixed payments (including in-substance fixed payments) or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured as described above, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

3.4 Significant accounting policies (Continued)

j) Operating leases (Continued)

As a Lessee (Continued)

Extension and termination options

Where extension and termination options are included in the lease contracts, these are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control.

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:

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.

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.

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

3.5 Significant accounting estimates, judgements and assumptions (Continued)

Impairment of financial assets (Continued)

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 property and equipment

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

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

- significant changes in the technology and regulatory environments

- evidence from internal reporting which indicates that the economic performance of the asset is, or will be, worse than expected

Useful lives of property and equipment

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

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.

Use of incremental rate of borrowing

For measuring the lease liability, the Company discounted the lease payments based on its incremental rate of borrowing. The definition of incremental borrowing rate states that the rate should reflect what the Company would be charged to borrow over a similar term and under similar circumstances. To determine an appropriate rate, the Company has obtained the relevant information from its bankers.

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

	2023	2022
Telecommunication services	**58,955**	153,164
	58,955	153,164

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

	2023	2022
Cost of services (Note 17)	**8,843**	19,196
	8,843	19,196

6. Other income

	2023	2022
Gain on foreign exchange fluctuation	**4,468**	19,121
Unrepresented liabilities written back	**12,250**	36,219
Others	**237**	--
	16,955	55,340

7. General and administration expenses

	2023	2022
Consulting and advisory fees	**309,210**	200,281
Conveyance	**37,660**	94,560
Legal and professional fees	**20,075**	26,952
Withholding tax	**5,221**	26,529
Salaries and employee related costs	**7,175**	4,000
Communication	**--**	300
Others	**33,451**	1,118
	412,792	353,740

8. Finance charges

	2023	2022
Interest on lease liability (Note 15)	**--**	7,062
Bank charges	**1,972**	457
	1,972	7,519

9. Property and equipment

2023	Office equipment	Computer	Right-of-use asset	Total
Cost				
At 1 April 2022	**1,044**	**14,060**	**416,821**	**431,925**
Derecognition during the year	**--**	**--**	**(416,821)**	**(416,821)**
At 31 March 2023	**1,044**	**14,060**	**--**	**15,104**
Accumulated depreciation				
At 1 April 2022	**703**	**14,060**	**280,077**	**294,840**
Charge for the year	**144**	**--**	**136,744**	**136,888**
Relating to derecognition during the year	**--**	**--**	**(416,821)**	**(416,821)**
At 31 March 2023	**847**	**14,060**	**--**	**14,907**
Net book value				
At 31 March 2023	**197**	**--**	**--**	**197**

9. Property and equipment (Continued)

2022	Office equipment	Computer	Right-of-use asset	Total
Cost				
At 1 April 2021	1,044	14,060	416,821	431,925
At 31 March 2022	1,044	14,060	416,821	431,925
Accumulated depreciation				
At 1 April 2021	559	12,309	141,007	153,875
Charge for the year	144	1,751	139,070	140,965
At 31 March 2022	703	14,060	280,077	294,840
Net book value				
At 31 March 2022	341	--	136,744	137,085

Right-of-use asset represents office premises taken on an operating lease (Note 3.4 j)) with a lease term of 3 years. Subsequent to the end of the lease term, the Company has shifted its office premises to a new location on an annual lease agreement. Accordingly, the right-of-use asset has been derecognised during the year.

10. Accounts and other receivables

	2023	2022
Trade accounts receivable	**46,514**	121,627
Prepaid expenses and other receivables	**36,288**	7,553
Contract assets	**6,420**	8,260
VAT recoverable	**47,344**	31,412
	136,566	168,852
Less: Allowance for expected credit losses (Note 18.1 b))	**(19,247)**	--
	117,319	168,852

a) The Company's assessment of expected credit losses on trade accounts receivable and contract assets is disclosed in Note 18.1 b).

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

11. Bank and cash balances

	2023	2022
Cash on hand	**25,000**	25,000
Bank current accounts	**75,718**	239,420
Cash and cash equivalents in the statement of cash flows	**100,718**	264,420

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

2022	1 April 2021	Interest	Financing cash flows	31 March 2022
Lease liability (Note 15)	138,938	7,062	(146,000)	--
	138,938	7,062	(146,000)	--

12. Share capital

	2023	2022
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% (2022: 100%) ownership interest of the Company.

13. Shareholder's current account

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

14. 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.

15. Lease liability

Lease liability represent the discounted value of future lease payments for the lease of an office space (Note 3.4 j) and 9). The movement of lease liability at the end of each reporting date is as follows:

	2023	2022
Lease liability discounted at incremental rate of borrowing	**--**	138,938
Add: Interest on lease liability	**--**	7,062
Less: Lease liability paid	**--**	(146,000)
Total lease liability as at 31 December	**--**	--
Amounts recognised in the statement of comprehensive income		
Interest on lease liability	**--**	7,062
Amount recognised in the statement of cash flows		
Payment of lease liability and interest	**--**	(146,000)

16. Accounts and other payables

	2023	2022
Trade accounts payable - related party	**58,650**	54,263
Due to related parties	**56,785**	118,383
Accrued expenses	**36,452**	28,502
	151,887	201,148

17. 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 during the year are as follows:

	Relationship	**2023**	2022
Cost of services (Note 5)	Other related party	**8,843**	--
Unrepresented liabilities written back	Other related party	**--**	36,219

Amounts due to related party that are in the nature of trade accounts payable and is unsecured, interest free and payable on contractual terms. Amount due to related parties are unsecured, interest free and repayable on demand.

18. Financial risk and capital management

18.1 Financial risk factors

The Company's financial instruments consist mainly of accounts and other receivables, cash and bank balances, accounts and other payables and lease liability. 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 2023 and 31 March 2022. The identified key risks are:

18. Financial risk and capital management (Continued)

18.1 Financial risk factors (Continued)

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.

	2023	2022
	AED	AED
Singaporean Dollars (SGD)	**3,896,597**	3,695,627
Afghan Afghani (AFN)	**46,514**	21,376

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.

	2023	2022
Change in currency rate	Effect on	Effect on
of 5% (+/-)	loss (+/-)	loss (+/-)
Currency	AED	AED
Singaporean Dollars (SGD)	**194,830**	184,781
Afghan Afghani (AFN)	**2,326**	1,069

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 receivable 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 exposed to a concentration of credit risk. At the reporting date, 100% (2022: 100%) of the trade accounts receivable and contract assets is due from a single customer (2022: single customer).

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:

- Accounts receivables and contract assets;
- Other financial assets at amortised cost; and
- Cash and cash equivalents

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

18. Financial risk and capital management (Continued)

18.1 Financial risk factors (Continued)

b) Credit Risk (Continued)

Impairment of financial assets (Continued)

The gross carrying amounts and loss allowances as at 31 December were determined as follows for trade accounts receivable:

	2023		2022	
	Trade accounts receivable	of which impaired	Trade accounts receivable	of which impaired
0-3 months	**8,022**	**--**	20,333	--
3-6 months	**--**	**--**	71,587	--
More than 1 year	**38,492**	**19,247**	29,707	--
	46,514	**19,247**	121,627	--

As at the reporting date, expected credit loss on specific credit-impaired receivables amounted to AED 19,247 (2022: Nil). The expected credit loss on the remaining trade accounts receivable and contract assets is considered immaterial at the reporting date.

Reconciliation of the closing loss allowance for trade accounts receivable as at 31 March 2023 are as follows:

	2023	2022
Increase in loss allowance during the year	**19,247**	--
Balance at the end of the year	**19,247**	--

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. Impairment losses on trade accounts receivable are presented as net impairment losses in the statement of comprehensive income.

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 2023 and 31 March 2022, based on contractual payment dates:

2023	*On demand*	*0 to 12 months*	*Total*
Due to related parties	**56,785**	**58,650**	**115,435**
Accrued expenses	**--**	**36,689**	**36,689**
	56,785	**95,339**	**152,124**

2022	*On Demand*	*0 to 12 months*	*Total*
Due to related party	118,383	54,263	172,646
Accrued expenses	--	28,502	28,502
	118,383	82,765	201,148

18.2 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.

18. Financial risk and capital management (Continued)

18.2 Capital management (Continued)

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 2023 and 31 March 2022. Capital comprises share capital, shareholder's current account, shareholder's loan and accumulated losses, and is measured at AED 66,347 as at 31 March 2023 (2022: AED 369,209).