BLS INTERNATIONAL FZE
AND ITS SUBSIDIARIES

Sharjah - United Arab Emirates

Consolidated Financial Statements and
Independent Auditors' Report
For the year ended March 31, 2022

BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Financial Statements and Independent Auditors' Report
For the year ended March 31, 2022

Table of Contents

	Page
Independent Auditors' Report	1 - 4
Consolidated Statement of Financial Position	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 59

اتش ال بي هامت محاسبون قانونيون
HLB HAMT CHARTERED ACCOUNTANTS
Level 18, City Tower 2, Sheikh Zayed Road
P.O.Box : 32665, Dubai, United Arab Emirates
Tel: +971 4 327 7775, Fax: +971 4 327 7677
E-mail: info@hlbhamt.com

Independent Auditors' Report

To

The Shareholder of BLS International FZE and its Subsidiaries

Sharjah - United Arab Emirates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **BLS International FZE** (the Parent) and its subsidiaries (together, the Group), which comprise the consolidated statement of financial position as at March 31, 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We refer to Note 1 to the consolidated financial statements; we have performed the audit only on the financial statements of the parent entity and its subsidiary located in the United Arab Emirates for the year ended March 31, 2022 and have not performed any audit procedures as per ISA 600 for the entities outside UAE. Based on financial statements, the consolidated total assets and liabilities registered outside the United Arab Emirates are AED 40,930,822/- and AED 6,318,953/- respectively and the consolidated net loss from operations is AED 10,773,166/- for the year ended March 31, 2022.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), applicable provisions of implementing regulations related to Hamriyah Free Zone and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' 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 ISA 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 consolidated financial statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Further, we report that:

(i) We have obtained all the information we considered necessary for the purpose of our audit.

(ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of implementing regulations related to Hamriyah Free Zone.

(iii) The Group has maintained proper books of accounts.

Report on Other Legal and Regulatory Requirements (continued)

(iv) Based on the information that has been made available to us, except for the matter described in the Emphasis of Matter section above, nothing has come to our attention which causes us to believe that the Group has contravened, during the financial year ended March 31, 2022, any of the requirements of applicable provisions of implementing regulations related to Hamriyah Free Zone, which would materially affect its activities or its financial position as at March 31, 2022.

Dubai
May 06, 2022

Ref: HAMT/BSH/2022/3992

For HLB HAMT Chartered Accountants
Signed by Vijay Anand
Partner
[Reg. No. 654]

BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Financial Position
As at March 31, 2022
(In Arab Emirates Dirhams)

	Note	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	5	**35,418,607**	10,199,670
Right of use assets	6	**314,293**	-
Intangible assets	7	**9,669,102**	2,475,834
Investments in associates	8	**13,785,969**	13,785,969
Investments in FVTOCI	9	**22,233,660**	-
Total non-current assets		**81,421,631**	26,461,473
Current assets			
Accounts and other receivables	11	**34,124,140**	27,806,841
Deferred tax asset		**2,402,835**	2,796,018
Other financial assets	12	**104,568,557**	114,608,177
Cash and cash equivalents	13	**12,019,691**	13,016,385
Total current assets		**153,115,223**	158,227,421
Total Assets		**234,536,854**	184,688,894
Equity and Liabilities			
Equity			
Share capital	1	**25,000**	25,000
Foreign currency translation reserve	14	**(1,906,033)**	(1,373,287)
Restricted reserves	15	**11,180**	11,180
Retained earnings		**225,009,919**	177,160,669
Other comprehensive reserves		**(1,257,571)**	(37,338)
Total shareholder's equity		**221,882,495**	175,786,224
Non-controlling interests		**20,161**	54,123
Total Equity		**221,902,656**	175,840,347
Non-current liabilities			
Lease liabilities	17	**173,341**	-
Provision for employees' end of service indemnity	18	**899,546**	1,045,652
Total non-current liabilities		**1,072,887**	1,045,652
Current liabilities			
Overdraft	16	**1,508,769**	-
Lease liabilities	17	**126,689**	-
Accounts and other payables	19	**9,925,853**	7,802,895
Total current liabilities		**11,561,311**	7,802,895
Total Liabilities		**12,634,198**	8,848,547
Total Equity and Liabilities		**234,536,854**	184,688,894

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 5 - 59 were approved by the management on May 06, 2022 and signed on its behalf by:

Chief Financial Officer **Director**

BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Comprehensive Income
For the year ended March 31, 2022
(In Arab Emirates Dirhams)

	Note	2022	2021
Service revenue	20	**364,960,931**	203,084,530
Direct expenses	21	**(261,515,984)**	(152,309,395)
Other income	22	**2,954,284**	4,182,539
General, selling and administrative expenses	23	**(47,911,176)**	(30,364,760)
Depreciation and amortization	25	**(2,232,976)**	(3,676,855)
Withholding tax		**(1,641,847)**	(1,223,824)
Exchange rate gain/(loss)		**(230,579)**	1,487,041
Profit/(loss) from operations		**54,382,653**	21,179,276
Finance income	26	**1,174,536**	1,623,214
Finance cost	27	**(125,836)**	-
Profit/(loss) before income taxes		**55,431,353**	22,802,490
Current taxation		**(795,662)**	(628,004)
Deferred tax		**(393,183)**	195,833
Tax credit		**-**	3,260,026
Profit/(loss) for the year		**54,242,508**	25,630,345
Attributable to:			
Equity holder		**54,276,470**	25,546,670
Non-controlling interest		**(33,962)**	83,675
		54,242,508	25,630,345
Other comprehensive income/(loss):			
Items not to be reclassified subsequently to profit or loss:			
Re-measurement gain/(loss) on defined benefit plans		**(26,575)**	26,275
Change in fair value of investment in FVTOCI		**(1,193,658)**	-
Other comprehensive income/(loss) not to be reclassified to profit or loss		**(1,220,233)**	26,275
Items to be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		**(532,746)**	(1,064,717)
Other comprehensive income/(loss) for the year		**(1,752,979)**	(1,038,442)
Total comprehensive income/(loss) for the year		**52,489,529**	24,591,903
Attributable to:			
Equity holder		**52,523,491**	24,508,228
Non-controlling interest		**(33,962)**	83,675
Total comprehensive income/(loss) for the year		**52,489,529**	24,591,903

The accompanying notes form an integral part of these consolidated financial statements.

BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Changes in Equity
For the year ended March 31, 2022
(In Arab Emirates Dirhams)

	Share capital	Foreign currency translation reserve	Restricted reserve	Retained earnings	Other comprehensive reserve	Total shareholder's equity	Non-controlling interests	Total
Balance as at March 31, 2020	**25,000**	**(308,570)**	**11,180**	**163,681,446**	**(63,613)**	**163,345,443**	**(29,552)**	**163,315,891**
Income/(loss) for the year	-	-	-	25,546,670	-	25,546,670	83,675	25,630,345
Foreign currency translation	-	(1,064,717)	-	-	-	(1,064,717)	-	(1,064,717)
Other comprehensive income/(loss)	-	-	-	-	26,275	26,275	-	26,275
Dividend paid	-	-	-	(12,067,447)	-	(12,067,447)	-	(12,067,447)
Balance as at March 31, 2021	**25,000**	**(1,373,287)**	**11,180**	**177,160,669**	**(37,338)**	**175,786,224**	**54,123**	**175,840,347**
Income/(loss) for the year	-	-	-	54,276,470	-	54,276,470	(33,962)	54,242,508
Foreign currency translation	-	(532,746)	-	-	-	(532,746)	-	(532,746)
Other comprehensive income/(loss)	-	-	-	-	(1,220,233)	(1,220,233)	-	(1,220,233)
Dividend paid	-	-	-	(6,427,220)	-	(6,427,220)	-	(6,427,220)
Balance as at March 31, 2022	**25,000**	**(1,906,033)**	**11,180**	**225,009,919**	**(1,257,571)**	**221,882,495**	**20,161**	**221,902,656**

The accompanying notes form an integral part of these consolidated financial statements.

BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Cash Flows
For the year ended March 31, 2022
(In Arab Emirates Dirhams)

	Note	2022	2021
Cash flows from operating activities			
Profit/(loss) for the year		**54,242,508**	25,630,345
Adjustments for:			
Depreciation and amortization	25	**2,232,976**	3,676,855
Loss on disposal of property, plant and equipment	23	**65,372**	10,029
Advance written off	23	**225,841**	26,474
Excess provision written back	22	**(367,685)**	-
Finance income	26	**(1,174,536)**	(1,623,214)
Finance cost	27	**125,836**	-
Loss allowance	23	**2,182,906**	2,208,720
Change in fair value of investment in FVTOCI		**1,193,658**	-
Provision for employees' end of service indemnity	18	**(28,059)**	356,854
Operating cash flows before payment of employees' end of service indemnity and changes in working capital		**58,698,817**	30,286,063
Working capital changes:			
Accounts and other receivables	11	**(8,726,046)**	8,647,220
Deferred tax asset		**393,183**	(195,833)
Accounts and other payables	19	**2,446,171**	(2,132,963)
Cash generated from/(used in) operating activities before payment of employees' end of service indemnity		**52,812,125**	36,604,487
Payment of employees' end of service indemnity	18	**(73,575)**	(255,742)
Net cash generated from/(used in) operating activities		**52,738,550**	36,348,745
Cash flows from investing activities			
Movements in other financial assets	12	**10,039,620**	(15,794,126)
Additions to property, plant and equipment	5	**(26,852,770)**	(2,501,515)
Movements in FVTOCI investments	8	**(23,427,318)**	-
Additions to intangible assets	7	**(7,814,569)**	(6,005)
Movements in held-to-maturity investments		**-**	(178,036)
Disposals of property, plant and equipment		**-**	15,000
Finance income	26	**1,174,536**	1,623,214
Net cash generated from/(used in) investing activities		**(46,880,501)**	(16,841,468)
Cash flows from financing activities			
Payment of lease liabilities	17	**(102,560)**	-
Dividend paid		**(6,427,220)**	(12,067,447)
Finance cost	27	**(114,327)**	-
Net cash generated from/(used in) financing activities		**(6,644,107)**	(12,067,447)
Net increase/(decrease) in cash and cash equivalents		**(786,058)**	7,439,830
Cash and cash equivalents at the beginning of the year		**13,016,385**	6,635,800
Effect of exchange rate changes on cash and cash equivalents		**(1,719,405)**	(1,059,245)
Cash and cash equivalents at the end of the year	29	**10,510,922**	13,016,385

The accompanying notes form an integral part of these consolidated financial statements.

1. Establishment and operations

BLS International FZE (the Parent Establishment) was registered with the Hamriyah Free Zone Authority, Sharjah - United Arab Emirates, on September 07, 2011, as a Free Zone Establishment, under License No. 8283.

The share capital of the Establishment is AED 25,000/- divided into 1 share of AED 25,000/- held in the name of BLS International Services Limited, India (the ultimate Parent).

The address of the registered office of the Establishment is ELOB office No. E2-123F-45, P.O. Box 52101, Hamriyah Free Zone, Sharjah - United Arab Emirates.

The principal activity of the Establishment is providing management consultancy services. The Group is mainly providing visa, passport renewal and other documentation services to Indian and Spanish embassies in various countries.

BLS International FZE and its subsidiaries (the Group) consist of the following subsidiaries;

Name of Subsidiaries	Location	Beneficial Ownership		Principal Activities
		2022	2021	
BLS International Services*	U.A.E	100%	100%	Provide services related to visa and passport processing with Indian Embassy/ Consulate/ Spain MOFA.
BLS International Services Norway AS.	Norway	75%	75%	To serve Indian Embassy in Norway and facilitate in Embassy support services.
BLS International Services Singapore PTE. LTD.	Singapore	100%	100%	Provides services related to passport and visa processing with Indian Embassy/ Consulate/ Spain MOFA.
BLS International Services Canada INC.	Canada	100%	100%	Provides services related to passport and consular processing with Indian Embassy/ Consulate.
BLS International Services Malaysia SDN BHD	Malaysia	100%	100%	Provides services related to passport and consular processing with Indian Embassy/ Consulate.
BLS International Services (UK) Limited	England	100%	100%	Providing services related to visa processing with Spain MOFA.
BLS VAS Services Pte. Limited	Singapore	-	70%	Provides services related to office administrative and courier services.

1. Establishment and operations (continued)

Name of Subsidiaries	Location	Beneficial Ownership		Principal Activities
BLS International Vize Hismetleri Limited, Sriketi	Turkey	99%	99%	Providing services related to visa processing with Spain MOFA.
Consular Outsourcing BLS Services Inc.	USA	100%	100%	Providing services related to visa processing with Spain MOFA.
BLS International Services Limited	Hong Kong	100%	100%	Providing the consular support services to Indian mission in Hong Kong.
BLS International (pty) Limited	South Africa	-	100%	Providing the consular support services to Spain mission in South Africa.
BLS Worldwide (Pty) Ltd.	South Africa	100%	-	Providing services related to visa processing with South Africa.

*BLS International Services is owned by one of the shareholder of BLS International Services Limited, India (the Ultimate Parent Company) for the benefit of BLS International FZE and it maintains 14 additional licenses (5 Establishments and 9 Branches in U.A.E), for regulating the principal activities of the Establishment. BLS VAS Services Pte. Limited, Singapore and BLS International (pty) Limited, South Africa are liquidated during the year under audit.

2. Adoption of new and revised International Financial Reporting Standards and Interpretations

2.1. Standards and interpretations effective in the current year

The Group has adopted the following new and amended IFRS that are effective for the year ended March 31, 2022:

a. Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16):

Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement, IFRS 7, Financial Instruments: Disclosures, IFRS 4, Insurance Contracts, and IFRS 16, Leases), provide a practical expedient for modifying a financial contract or a lease for lessees because of IBOR reform (IBOR reform - Phase 2). The amendments also allow a series of exemptions from certain rules around hedge accounting, including the need to discontinue existing hedging relationships because of changes to hedging documentation required by IBOR reform.

The Phase 2 amendments principally address the following issues:

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

2.1. Standards and interpretations effective in the current year (continued)

a. Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16): (continued)

(1) Practical expedient for modifications:

Under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the income statement. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate.

A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.

(2) Specific relief from discontinuing hedging relationships:

The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting. For example, an entity will not need to discontinue existing hedging relationships because of changes to hedge documentation required solely by IBOR reform. Therefore, when a hedged risk changes due to benchmark reform, an entity may update the hedge documentation to reflect the new benchmark rate and the hedge may be able to continue without interruption.

However, like the Phase 1 amendments, there is no exception from the measurement requirements that apply for the hedged items and hedging instruments under IFRS 9 or IAS 39 Financial Instruments: Recognition and Measurement. Once the new benchmark rate is in place, the hedged items and hedging instruments are remeasured based on the new rate and any hedge ineffectiveness will be recognised in profit or loss.

These amendments are applicable for annual periods beginning on or after January 01, 2021, with earlier application permitted. An entity applies the amendments retrospectively, except that it will reinstate a discontinued hedging relationship if conditions are met.

In addition, an entity is not required to restate prior periods to reflect the application of the amendments. However, an entity may restate prior periods if it is possible without the use of hindsight.

The amendment does not have any impact on these financial statements.

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

2.1. Standards and interpretations effective in the current year (continued)

b. COVID-19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16)

The International Accounting Standards Board (IASB) published 'Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)' that extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The changes in Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) amend IFRS 16 to:

- permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021)
- require a lessee applying the amendment to do so for annual reporting periods beginning on or after 1 April 2021.
- require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

The amendment is effective for annual reporting periods beginning on or after April 01, 2021 (earlier application permitted, including in financial statements not yet authorised for issue at the date the amendment is issued). The Company has early adopted/adopted this standard with an initial date of application of January 01, 2021/April 01, 2021.

The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application.

The amendment does not have any impact on these financial statements.

2.2. New and revised IFRS in issue but not effective and not early adopted

The following standards, amendments thereto and interpretations have been issued prior to March 31, 2022, but their effective dates of adoption are for future periods:

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

2.2. New and revised IFRS in issue but not effective and not early adopted (continued)

	Effective for annual periods beginning
COVID-19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16)	April 01, 2021
Amendments to IFRS 3- Reference to the Conceptual Framework	January 01, 2022
Amendments to IAS 16- Property, Plant and Equipment: Proceeds Before Intended Use	January 01, 2022
Amendments to IAS 37- Onerous Contracts – Costs of Fulfilling a Contract	January 01, 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	January 01, 2022
IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities	January 01, 2022
IAS 41 Agriculture – Taxation in fair value measurements	January 01, 2022
IFRS 17 Insurance Contracts	January 01, 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	January 01, 2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8: Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities Arising from a Single Transaction	January 01, 2023
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Indefinitely deferred

3. Basis of presentation and significant accounting policies

3.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the requirements of applicable provisions of implementing regulations related to Hamriyah Free Zone.

3.2. Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except Investments as fair value through other comprehensive income (FVOCI).

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3. Basis of presentation and significant accounting policies (continued)

3.3. Functional and presentation currency

These consolidated financial statements are prepared and the items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). These consolidated financial statements are presented in Arab Emirates Dirhams (AED), which is the Group's functional and presentation currency.

3.4. Basis of consolidation

3.4.1. Subsidiaries

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to March 31 each year. Control is achieved when the Group:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
- potential voting rights held by the Group, other vote holders or other parties.
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. Basis of presentation and significant accounting policies (continued)

3.4. Basis of consolidation (continued)

3.4.1. Subsidiaries (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-company assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

3.4.2. Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. After the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

3.4.3. Loss of control

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income concerning that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

3. Basis of presentation and significant accounting policies (continued)

3.4. Basis of consolidation (continued)

3.4.3. Loss of control (continued)

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

3.5. Going concern

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.6. Investment in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced, but the significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and the carrying value and recognizes the amount within impairment losses in the consolidated income statement.

3. Basis of presentation and significant accounting policies (continued)

3.6. Investment in associates (continued)

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The consolidated financial statement of the associates is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3.7. Foreign currency translation

3.7.1. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are recognized in the consolidated statement of comprehensive income. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.7.2. Group entities

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;

(ii) income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

3. Basis of presentation and significant accounting policies (continued)

3.8. Property, plant and equipment

Property, plant and equipment are carried at historical cost, less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are recognized in the consolidated income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated on the straight-line method, at rates calculated to allocate the cost of assets less their estimated residual value over their expected useful lives as follows:

Building	32 years
Leasehold improvements	10 years
Office equipment	20-22 years
Furniture and fixtures	15-16 years
Vehicles	10 years

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from these assets, and adjusted prospectively, if appropriate. An asset’s carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income.

3.9. Right of use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities (Note 3.17). Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Office space 3 years

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Impairment of non-financial assets’ policy (Note 3.11).

3. Basis of presentation and significant accounting policies (continued)

3.10. Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. The amortization method and estimated useful lives are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Software

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over their estimated useful lives which are normally a period of 3 to 6 years.

Other intangible assets

Other intangible assets represent key money paid to agents to operate business abroad. These costs are recognized as an asset and amortized on a straight-line basis over a period of 3 years in line with the agreement terms.

3.11. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill or intangible assets not ready to use, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels, for which there are mostly independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for a possible reversal on each reporting date.

3. Basis of presentation and significant accounting policies (continued)

3.11. Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of one to five years. For more extended periods, a long-term growth rate is calculated and applied to projected future cash flows after the fifth year.

Impairment losses are recognized in the consolidated income statement in expense categories consistent with the function of the impaired asset, except for assets previously revalued with the revaluation taken to other comprehensive income. For such assets, the impairment is recognized in other comprehensive income up to the amount of any previous revaluation.

3.12. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.
Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.12.1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

3.12.2. Classification of financial assets

Financial assets at amortised cost:

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

3. Basis of presentation and significant accounting policies (continued)

3.12. Financial instruments (continued)

3.12.2. Classification of financial assets (continued)

- 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 Group's financial assets measured at amortised cost include accounts and other receivables (excluding prepayments and advances), other financial assets and cash and cash equivalents.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI):

(a) Debt instruments classified as at FVTOCI:

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

(b) Equity instruments classified as at FVTOCI:

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments' revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

3. Basis of presentation and significant accounting policies (continued)

3.12. Financial instruments (continued)

3.12.2. Classification of financial assets (continued)

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition

The group does not hold any financial assets at FVTOCI.

Financial assets at Fair Value Through Profit & Loss (FVTPL):

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the preceding, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if specific criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The Group's financial assets at FVTPL consist of quoted and unquoted equity investments and derivative financial instruments.

3.12.3. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

3. Basis of presentation and significant accounting policies (continued)

3.12. Financial instruments (continued)

3.12.3. Amortised cost and effective interest method (continued)

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognized in profit or loss and is included in the "finance income " line item.

3.12.4. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on accounts and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognizes lifetime ECL for accounts and other receivables, and related party balances. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience of the debtor, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Investments in equity instruments designated as investments at FVTPL and FVTOCI are not subject to impairment.

3. Basis of presentation and significant accounting policies (continued)

3.12. Financial instruments (continued)

3.12.5. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relates to the Group's core operations.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

3.12.6. Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable;

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. Basis of presentation and significant accounting policies (continued)

3.12. Financial instruments (continued)

3.12.7. Credit impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- the significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3.12.8. Write off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

3.12.9. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-months ECL at the current reporting date, except for assets for which simplified approach was used.

3. Basis of presentation and significant accounting policies (continued)

3.12. Financial instruments (continued)

3.12.9. Measurement and recognition of expected credit losses (continued)

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3.12.10. De-recognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains all the risks and rewards of ownership substantially and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains all the risks and rewards of ownership of a transferred financial asset substantially, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

3.12.11. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below:

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not:

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or

3. Basis of presentation and significant accounting policies (continued)

3.12. Financial instruments (continued)

3.12.11. Financial liabilities and equity instruments (continued)

- designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of financial liability.

The Group's financial liabilities measured at amortised cost include accounts and other payables (less advances and VAT payable), lease liabilities and borrowings.

Bank borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until a drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.12.12. Offsetting of financial instruments

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

3. Basis of presentation and significant accounting policies (continued)

3.13. Taxation

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

3.13.1. Current tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.13.2. Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

3. Basis of presentation and significant accounting policies (continued)

3.13. Taxation (continued)

3.13.2. Deferred tax (continued)

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

3.13.3. Value added tax

Output value-added tax related to sales is payable to tax authorities on the earlier of:

- collection of receivables from customers or
- delivery of goods or services to customers.

Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the statement of financial position on a gross basis – unless the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

3. Basis of presentation and significant accounting policies (continued)

3.14. Borrowing costs

Borrowing costs related to the acquisition, construction and production of the qualifying assets are treated as part of the cost of the relevant assets. Qualifying assets are those assets that take a substantial period to get ready for their intended use. The borrowing costs eligible for capitalization are the actual borrowing costs incurred on the borrowing during the year less any investment income on the temporary investment of those borrowings.

The borrowing costs eligible for capitalization are determined by applying capitalization rate to the expenditures on the qualifying assets.

The capitalization rate is the weighted average of the borrowing applicable to the borrowings of the Group that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining the qualifying assets.

Capitalization of borrowing costs commence when:

- Expenditures for the qualifying assets being incurred.
- Borrowing costs are being incurred, and
- Activities that are necessary to prepare the qualifying assets for their intended use or sale are in progress.

Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for their intended use or sale are complete.
All other borrowing costs are expensed in the period in which they occur.

3.15. Fair value measurement

The Group measures financial instruments, such as financial assets at FVTPL, financial assets at FVTOCI and non-financial assets such as investment properties at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. Basis of presentation and significant accounting policies (continued)

3.15. Fair value measurement (continued)

The fair value hierarchy is described as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group's valuation committee determines the policies and procedures for both recurring and non-recurring fair value measurement, External valuers are involved for valuation of significant assets, such as properties and unquoted AFS financial assets.

Fair value disclosures have been provided in Note .

3.16. Provision for employees' end of service indemnity

Estimated amounts required to cover employees' end of service indemnity at the date of consolidated statement of financial position are computed pursuant to the UAE Federal Labour Law No. 8 of 1980 based on the employees' accumulated period of service and current remuneration at the date of consolidated statement of financial position.

Provision is made subject to actuarial techniques. Actuarial Gains and losses arising from experience adjustments and changes in assumptions are charged or credited to equity in the other comprehensive income in the period in which they occur.

3.17. Leases

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

- The contract involves the use of an identified asset -this may be specified explicitly or implicitly 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 identified.
- The Group has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and

3. Basis of presentation and significant accounting policies (continued)

3.17. Leases (continued)

- The Group has the right to direct the use of the asset. The Group has this right when it 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 Group has the right to direct the use of the asset if either:

– The Group has the right to operate the asset; or

– The Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on a reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

However, where the contract is not separable into a lease and non-lease component then the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group determines the lease term as the non – cancellable period of a lease, together with both:

a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

3.17.1. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, plus an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located and lease payments made at or before the commencement date less any lease incentives received unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term.

3. Basis of presentation and significant accounting policies (continued)

3.17. Leases (continued)

3.17.1. Right-of-use assets (continued)

The recognised right-of-use assets are subsequently depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Also, the right-of-use assets are periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

3.17.2. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (those leases that have a lease term of 12 months or less and do not contain a purchase option). It also applies the lease of low-value assets exemption to leases that are considered of low value. Lease payments on short-term leases and lease of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.17.3. Lease liability

The lease liability is initially recognised at the present value of the lease payments that are not paid in the commencement date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group used its incremental borrowing rate.

After initial recognition, the lease liability is measured by:

a) Increasing the carrying amount to reflect interest on the lease liability;

b) Reducing the carrying amount to reflect the lease payments made; and

c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Where,

a) There is a change in the lease term as a result of reassessment of certainty to exercise an exercise option, or not to exercise a termination option as discussed above; or

b) There is a change in the assessment of an option to purchase the underlying asset, assessed considering the events and circumstances in the contract of a purchase option, the Group remeasures the lease liability to reflect changes to lease payments by discounting the revised lease payments using a revised discount rate. The Group determined the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined.

c) There is a change in the amounts expected to be payable under a residual value guarantee; or

3. Basis of presentation and significant accounting policies (continued)

3.17. Leases (continued)

3.17.3. Lease liability (continued)

d) There is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including a change to reflect changes in market rental rates following a market rent review. The Group remeasures the lease liabilities by discounting the revised lease payments using an unchanged discount rate unless the change in lease payments results from a change in floating interest rates. In such case, the Group use a revised discount rate that reflects a change in the interest rate.

The Group recognises the amount of the re-measurements of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero, and there is a further deduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in profit or loss.

The Group accounts for a lease modification as a separate lease if both:

a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

b) The consideration for the lease increase by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the context.

For lease modifications that are not accounted for as a separate lease, the Group, at the effective date of the lease modification:

a) Allocates the consideration in the modified contract;

b) Determines the lease term of the modified lease; and

c) Remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective rate of the modification, if the interest rate implicit in the lease cannot be readily determined.

3.18. Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.

3. Basis of presentation and significant accounting policies (continued)

3.18. Current and non-current classification (continued)

- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as current assets and liabilities.

3.19. Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The management team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

3. Basis of presentation and significant accounting policies (continued)

3.19. Measurement of fair values (continued)

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

3.20. Property, plant and equipment

3.20.1. Fair value measurement

Property, plant and equipment is measured at fair value less accumulated depreciation and accumulated impairment losses. Valuations are performed frequently enough to ensure that the carrying amount does not materially differ from its fair value.

Increases to carrying value resulting from revaluations are recognised in other comprehensive income and accumulated in equity under revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Decreases are recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in comprehensive income.

3.21. Revenue recognition

Revenue is recognized to the extent that the economic benefits will probably flow to the entity and can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually defined terms of payment and excluding discounts, rebates, returns, price adjustments and other transaction taxes or duties. The following specific recognition criteria must also be met before revenue is recognized:

3.21.1. Revenue from contracts with customers

Revenue from contracts with customers is considered in line with IFRS 15; which outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a five-step model to recognize revenue arising from contracts with customers.

Step 1: Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

3. Basis of presentation and significant accounting policies (continued)

3.21. Revenue recognition (continued)

3.21.1. Revenue from contracts with customers (continued)

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue as and when the entity satisfies a performance obligation at a point or over time.

The Group recognizes revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.

The Group allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Group's efforts or inputs to the satisfaction of the performance obligations. The Group estimates the costs to complete the projects in order to determine the amount of revenue to be recognized.

When the Group satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rises to a contract liability.

3. Basis of presentation and significant accounting policies (continued)

3.21. Revenue recognition (continued)

3.21.2. Revenue from services

The Group manages the administrative function of the visa and passport applications process for various countries. Revenue comprises of the value of services provided mainly from renewal of passports, processing of visa application and other value added services including courier and SMS services and recognized upon invoicing to the customers. Revenue has been based on the gross invoices made during the year and revenue against such services are recognized at a point in time upon completion and satisfies the performance obligation in line with the terms of contract with customer.

3.21.3. Government grant

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate on a systematic basis.

3.21.4. Finance income

Interest income

Interest income from financial assets is recognized when it is probable that the economic benefits flow to the entity and the amount of income can be estimated reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to the net carrying amount on initial recognition. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

3.22. Direct expenses

Direct expenses include direct operating expenses incurred in generating revenue. Expenses that are not immediately attributable to the generating of revenue are not included in the gross profit as reported. Direct expenses are recognized over the term that the associated revenue is recognized.

4. Significant judgments and estimation uncertainty

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur, which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

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

4. Significant judgments and estimation uncertainty (continued)

4.1. Judgments

In the process of applying the Group's accounting policies, which are described in Note 3 to the consolidated financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are dealt with below):

4.1.1. Going concern assumption

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

4.1.2. Revenue recognition

Management considers recognizing revenue over time; if one of the following criteria is met, otherwise, revenue will be recognized at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

4.1.3. Judgements in determining the timing of satisfaction of performance obligations

The Group generally recognise revenue over time as it performs continuous transfer of control of goods/services to the customers. Because customers simultaneously receive and consume the benefits provided and the control transfer takes place over time, revenue is also recognised based on the extent of transfer/completion of the transfer of each performance obligation. In determining the method of measuring progress for these performance obligations, the Group considers the nature of these goods and services as well as the nature of its performance.

4. Significant judgments and estimation uncertainty (continued)

4.1. Judgments (continued)

4.1.4. Determination of transaction prices

In the process of determining transaction prices in respect of its contracts with customers, the Group assesses the impact of any variable consideration in the contract due to discounts, penalties, the existence of any significant financing component or any non-cash consideration. In determining the impact of variable consideration, the Group uses the most likely amount method under IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

4.1.5. Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognized when control over the assets is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

When evaluating whether a customer obtains control of an asset, the Group considers its present right to payment for the asset, the customer's legal title to the asset, physical possession of the asset, significant risks and rewards related to the ownership of the asset, the acceptance of the asset by the customer and also any agreements to repurchase the assets.

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the consideration for the unit has been substantially received, and there are no impediments in the handing over of the unit to the customer.

4.1.6. Employees' end of service indemnity

Provision for employees' end of service indemnity is grouped as a non-current liability on the judgment that the employees of the Group will be continued in the future periods irrespective of their visa expiry dates and other employment terms and conditions.

4.1.7. 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) including the consideration of the life of underlying assets on the premises.

4. Significant judgments and estimation uncertainty (continued)

4.1. Judgments (continued)

4.1.8. Discounting of lease payments

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group determines its incremental borrowing rate with reference to its current and historical cost of borrowing adjusted for the term and security against such borrowing.

4.1.9. Contingencies

Contingent assets and liabilities are not recognized in the consolidated financial statements unless it is probable as a result of past events that an outflow of economic resources will be required to settle a present, a legal and constructive obligation; and the amount can be reliably estimated. Else, they are disclosed unless the possibility of an inflow or outflow, respectively of resources embodying economic benefits is remote.

4.1.10. Control over investee

When determining control over an investee, management considers whether the Group has a “de facto” power to control an investee if it holds less than 50% of the investee’s voting rights. The assessment of the investee’s relevant activities and the ability to use the Group's power to affect the investee’s variable returns requires significant judgement.

4.1.11. Significant influence assessment

When determining significant influence over an investee, management considers whether the Group has the power to participate in the financial and operating policies of decisions of the investee if it holds less than 20% of the investee’s voting rights. The assessment, which requires significant judgement, involves consideration of the Group’s representation of the investees’ board of directors, participation in policy-making decisions and material transactions between the entities.

4. Significant judgments and estimation uncertainty (continued)

4.1. Judgments (continued)

4.1.12. Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for sale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property, plant and equipment and property held for sale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, and in particular, the intended usage of property as determined by the management.

4.1.13. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model and requires estimation of the expected future cash flows from the asset (or of the cash-generating unit) in the forecasted period and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The discount rate reflects current market assessments of the time value of money and the risks specific to the asset.

4.1.14. Impairment of financial assets

In measuring the expected credit loss allowance for financial assets measured at amortised cost, management uses the Expected Credit Loss (ECL) model and assumptions about future economic conditions and credit behaviour such as likelihood of customer defaulting. Management consider the following judgements and estimates:

- Development of ECL model, including formula and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessments;
- The segmentation of financial assets when the ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGD); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

4. Significant judgments and estimation uncertainty (continued)

4.1. Judgments (continued)

4.1.14. Impairment of financial assets (continued)

The Group recognises lifetime expected credit loss (ECL) for accounts and other receivables and related party balances using the simplified approach (Note 11). Allowance for impairment losses on accounts receivables is AED 3,699,405/- (2021: AED 1,839,489/-) and on related party balances is Nil (2021: AED 92,544/-).

4.1.15. Control over subsidiaries

The Parent follows the guidance of IFRS 10 'Consolidated Financial Statements' in determining whether it controls an entity and this determination requires significant judgment. In making this judgment, the Parent evaluates, among other factors, the power it has over the investee, the rights to variable returns from its involvement with the entity, and the ability to use its power to affect the returns of the entity. The Parent considers all relevant facts and circumstances in assessing whether or not the voting rights in an investee are sufficient to give it power.

4.2. Key sources of estimation uncertainty

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

4.2.1. Useful life of property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

4.2.2. Useful life of intangible assets

Intangible assets are amortized over their estimated useful lives, which is based on expected pattern of consumption of the future economic benefits embodied in the assets.

4.2.3. Taxes

The Group recognises liability for the anticipated taxes levied in the jurisdiction of its activity based on estimate of whether additional taxes will be due. Whether the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Any changes in the estimate and assumptions may have an impact on the carrying values of the deferred taxes.

5. Property, plant and equipment

March 31, 2022

	Building	Leasehold improvements	Office equipment	Furniture and fixtures	Vehicles	Total
	AED	AED	AED	AED	AED	AED
Cost						
As at March 31, 2021	6,124,474	2,135,580	5,134,411	4,021,820	541,569	17,957,854
Additions	26,044,070	151,684	189,691	315,039	152,286	26,852,770
Disposal	-	-	(68,767)	(34,884)	-	(103,651)
Exchange rate differences	18,362	(5,860)	51,612	(30,846)	(21,545)	11,723
As at March 31, 2022	**32,186,906**	**2,281,404**	**5,306,947**	**4,271,129**	**672,310**	**44,718,696**
Accumulated depreciation						
As at March 31, 2021	(607,885)	(1,613,753)	(3,454,185)	(1,947,366)	(134,995)	(7,758,184)
Depreciation for the year	(440,844)	(267,604)	(326,981)	(350,689)	(58,955)	(1,445,073)
On disposal	-	-	26,145	12,134	-	38,279
Exchange rate differences	(3,523)	996	(55,514)	(74,440)	(2,630)	(135,111)
As at March 31, 2022	**(1,052,252)**	**(1,880,361)**	**(3,810,535)**	**(2,360,361)**	**(196,580)**	**(9,300,089)**
Carrying amount:						
As at March 31, 2022	**31,134,654**	**401,043**	**1,496,412**	**1,910,768**	**475,730**	**35,418,607**

5. Property, plant and equipment (continued)

March 31, 2021

	Building	Leasehold improvement	Office equipment	Furniture and fixtures	Vehicles	Total
	AED	AED	AED	AED	AED	AED
Cost						
As at March 31, 2020	3,935,454	2,015,296	4,964,364	3,981,213	592,603	15,488,930
Additions	2,191,299	127,984	127,466	54,766	-	2,501,515
Disposal	-	-	-	-	(52,733)	(52,733)
Exchange rate differences	(2,279)	(7,700)	42,581	(14,159)	1,699	20,142
As at March 31, 2021	6,124,474	2,135,580	5,134,411	4,021,820	541,569	17,957,854
Accumulated depreciation						
As at March 31, 2020	(374,533)	(1,226,743)	(3,120,117)	(1,684,235)	(115,990)	(6,521,618)
Depreciation for the year	(233,352)	(387,010)	(334,068)	(263,131)	(46,709)	(1,264,270)
On disposal	-	-	-	-	27,704	27,704
As at March 31, 2021	(607,885)	(1,613,753)	(3,454,185)	(1,947,366)	(134,995)	(7,758,184)
Carrying amount:						
As at March 31, 2021	5,516,589	521,827	1,680,226	2,074,454	406,574	10,199,670

6. Right of use assets

	2022 AED	2021 AED
Office space:		
Additions during the year	**391,081**	-
Depreciation for the year (Note 25)	**(76,788)**	-
	314,293	-

7. Intangible assets

	Capital work in progress AED	Software AED	Asterisk AED	Total AED
Cost				
As at March 31, 2020	-	12,667,611	4,984,599	17,652,210
Additions	-	6,005	-	6,005
Exchange rate differences	-	1,761	(1,100)	661
As at March 31, 2021	-	12,675,377	4,983,499	17,658,876
Additions	7,769,213	45,356	-	7,814,569
Exchange rate differences	**-**	30,802	(1,490)	29,312
As at March 31, 2022	**7,769,213**	**17,731,293**	**2,251**	**25,502,757**
Amortization				
As at March 31, 2020	-	(9,627,815)	(3,142,642)	(12,770,457)
Amortization for the year	-	(755,115)	(1,657,470)	(2,412,585)
As at March 31, 2021	-	(10,382,930)	(4,800,112)	(15,183,042)
Amortization for the year	**-**	(710,965)	(150)	(711,115)
Exchange rate difference	**-**	60,420	82	60,502
As at March 31, 2022	**-**	**(15,833,074)**	**(581)**	**(15,833,655)**
Carrying amount:				
As at March 31, 2022	**7,769,213**	**1,898,219**	**1,670**	**9,669,102**
As at March 31, 2021	**-**	2,292,447	183,387	2,475,834

*This includes AED 4,979,758/- representing key money paid to the M/s White Rhinos, the Group's agent in Russia to operate an entity to provide VISA services.

8. Investments in associates

Name	Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %	Carrying amount 2022 AED	Carrying amount 2021 AED
DSS Gulf Realtors Ltd, Dubai	UAE	**50**	50	**13,603,810**	13,603,810
BLS E-Services (Bangladesh) Limited	Bangladesh	**49**	49	**2,388**	2,388
BLS Algeria	Algeria	**49**	49	**1,735**	1,735
BLS International Visa Services	Austria	**25**	25	**172,419**	172,419
BLS International Visa Services-Baltic	Lithuania	**50**	50	**4,629**	4,629
BLS International Visa Services Poland SP.Z.O.O.	Poland	**25**	25	**988**	988
				13,785,969	13,785,969

Movements

	2022 AED	2021 AED
Balance at the beginning of the year	**13,785,969**	13,607,933
Additions	**-**	178,036
Balance at the end of the year	**13,785,969**	13,785,969

DSS Gulf Realtors Limited Dubai is real estate development activity and is owning a land in Al Barsha South Fourth, Dubai, United Arab Emirates. The value represents the 50% share in value of land . There are no activities in this associate during the year and also there is no impairment on the same land. Other entities are in the initial stage of setup and there are no operations. Hence no adjustments are made in the equity value of these entities.

9. Investment in FVTOCI

	2022 AED	2021 AED
Investment in bonds*	**23,427,318**	-
Change in fair value	**(1,193,658)**	-
	22,233,660	-

*It represents the investments in bonds listed in exchanges outside UAE.

10. Related party transactions

	2022	2021
	AED	AED
8.1 Due from related parties	**19,155,453**	4,627,185

Presented in the consolidated statement of financial position as:

	2022	2021
Accounts and other receivables (Note 11)	**19,155,453**	4,627,185

	2022	2021
	AED	AED
8.2 Due to related parties	**37,121**	73,632

Presented in the consolidated statement of financial position as:

	2022	2021
Accounts and other payables (Note 19)	**37,121**	73,632

The Group enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties comprise entities under common ownership and/or common management and control and key management personnel. The shareholder and the management decide on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

During the year, the Group entered into the following transactions with related parties:

	2022	2021
	AED	AED
Consultancy expenses	**11,173,776**	7,466,192

11. Accounts and other receivables

	2022	2021
	AED	AED
Receivable from customers	**9,335,066**	17,932,961
Less: Loss allowance (Note 11.3)	**(3,699,405)**	(1,839,489)
	5,635,661	16,093,472
Due from related parties (Note 10.1)	**19,155,453**	4,627,185
Less: Loss allowance	**-**	(92,544)
	24,791,114	20,628,113
Advances	**1,537,658**	1,382,728
Deposits	**2,563,592**	2,539,329
Prepayments	**1,279,154**	677,018
Right of return asset	**360,000**	-
Other receivables	**3,592,622**	2,579,653
	34,124,140	27,806,841

11. Accounts and other receivables (continued)

11.1. Age-wise analysis of accounts receivable

	2022 AED	2021 AED
Not past due	**1,007,361**	43,921
Past due:		
1 - 30 days	**3,035,161**	9,491
31 - 90 days	**1,178,301**	104,653
91 - 180 days	**1,483,251**	194,258
181 - 365 days	**1,823,985**	1,995,285
More than 365 days	**807,007**	15,585,353
	9,335,066	17,932,961

The Group measures the loss allowances for accounts receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit loss on accounts receivables are estimated by using a provision matrix by reference to past default experience of debtors and an analysis of debtor's current financial positions, adjusted for factors that are specific to the debtors' economic conditions of the industry.

The Group has recognized a loss allowance of AED 3,699,405/-, based on specific provisions and the following provision matrix:

11.2. Provision matrix for loss allowance

Accounts receivables	Expected loss rate
Not past due	**0.90%**
Less than 180 days	**1%**
More than 180 days	**10.47%**

The Group does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owned by the Group to the counterparty. The average credit period is 90 days. No interest is being charged on accounts receivables.

11.3. Movement in the loss allowance of accounts receivables

	2022 AED	2021 AED
Balance at the beginning of the year	**1,839,489**	853,376
Loss allowance on receivables (Note 23)	**2,182,906**	2,116,176
Amounts written off	**(322,990)**	(1,130,063)
Balance at the end of the year	**3,699,405**	1,839,489

12. Other financial assets

	2022 AED	2021 AED
Term deposits	**104,394,373**	114,434,177
Margin deposits	**174,184**	174,000
	104,568,557	114,608,177

At the year end, term deposits carried an interest @ 0.5% to 2.25% per annum (2021: 0.5% to 3.3% per annum). Term deposits includes AED 2 million in the name of a related party.

13. Cash and cash equivalents

	2022 AED	2021 AED
Cash in hand	**1,380,937**	972,191
Bank balances:		
In current accounts	**10,638,754**	12,043,999
In fixed deposits	**-**	195
	12,019,691	13,016,385

14. Foreign currency translation reserve

Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Foreign currency differences are recognized in other comprehensive income and presented in the foreign currency translation reserve in equity.

15. Restricted reserves

According to the Turkish Commercial Code, first order legal reserves are set aside as 5% of the legal net profit until 20% of the paid in capital of the Company (BLS Turkey) reached. The second order legal reserves correspond to 10% of the Company (BLS Turkey) profits that exceed 5% of the paid in capital of the Company (BLS Turkey). According to the Turkish Commercial Code, legal reserves may be utilized exclusively on the netting of the Company losses as long as they do not exceed 50% of the paid -in capital, other than purpose, they may no be utilized in any other manner.

16. Overdraft

Over draft facility is for exclusively for investing in bonds (note 9). The overdraft is carrying an interest of 2% per annum and the below are the summary of the arrangements:

Summary of borrowing arrangements

1. A memorandum of charge executed by the Group in favour of the bank in respect of the assets in the accounts with the bank and its Hong Kong Branch/ Singapore Head Office.

2. An irrevocable deed of guarantee executed by the shareholder.

17. Lease liabilities

	2022	2021
	AED	AED
Additions during the year	**391,081**	-
Add: finance cost (Note 17)	**11,509**	-
Less: payments during the year	**(102,560)**	-
	300,030	-
Presented in the statement of financial position as		
Current	**126,689**	-
Non-current	**173,341**	-
	300,030	-

The average lease term is 3 years and the average effective borrowing rate is 6% for the year ended March 31, 2022. All leases are on a fixed repayment basis, and no arrangements have entered in to for additional contingent rental payments.

18. Provision for employees' end of service indemnity

	2022	2021
	AED	AED
Balance at the beginning of the year	**1,045,652**	944,540
Charges for the year	**(28,059)**	356,854
Payments during the year	**(73,575)**	(255,742)
Excess provision written back	**(44,472)**	-
	899,546	1,045,652

19. Accounts and other payables

	2022 AED	2021 AED
Payable to suppliers	**4,737,414**	4,105,177
Due to related parties (Note 10.2)	**37,121**	73,632
	4,774,535	4,178,809
Accrued expenses	**83,094**	395,056
Advance from customers	**210,170**	169,369
Provision for staff benefits	**2,219**	1,611
Tax payable	**805,322**	613,216
Staff payables	**1,394,247**	867,401
VAT payable	**275,009**	181,963
Other payables	**2,381,257**	1,395,470
	9,925,853	7,802,895

20. Revenue

	2022 AED	2021 AED
Service charges*	**364,591,858**	202,756,700
Other revenues	**369,073**	327,830
	364,960,931	203,084,530

*Service charges represent gross invoicing made to the customers for visa and passport processing services.

21. Direct expenses

	2022 AED	2021 AED
Visa and supporting processing charges*	**244,419,475**	151,324,811
Other direct expenses	**17,096,509**	984,584
	261,515,984	152,309,395

*It includes payments to Embassy for visa processing and passport services.

22. Other income

	2022 AED	2021 AED
Government grant*	**-**	2,599,823
Excess provision written back	**367,685**	-
Miscellaneous	**2,586,599**	1,582,716
	2,954,284	4,182,539

*It represents the grants from government of Canada related to the staff benefits and rent paid during the year.

23. General, selling and administrative expenses

	2022 AED	2021 AED
Staff cost (Note 24)	**26,181,390**	14,788,187
Short-term leases (Note 28)	**5,098,989**	4,221,743
License and professional	**6,359,051**	4,613,116
Business promotion	**921,688**	326,512
Loss allowance on receivables (Note 11.3)	**2,182,906**	2,208,720
Bank charges	**413,377**	169,576
Computer expenses	**61,028**	49,673
Printing and stationery	**491,021**	431,220
Advance written off	**225,841**	26,474
Office expenses	**1,133,395**	579,205
Loss on disposals of property, plant and equipment	**65,372**	10,029
Security	**725,775**	207,085
Software expenses	**441,593**	372,597
Communication	**2,009,766**	754,889
Motor vehicle expenses	**533,966**	266,069
Insurance	**116,977**	121,976
Utilities	**332,961**	230,081
Others	**616,080**	987,608
	47,911,176	30,364,760

24. Staff cost

	2022 AED	2021 AED
Salaries and allowances	**25,484,471**	13,354,971
Staff benefits	**274,128**	770,219
Others	**422,791**	662,997
	26,181,390	14,788,187

25. Depreciation and amortization

	2022 AED	2021 AED
Depreciation of property, plant and equipment (Note 5)	**1,445,073**	1,264,270
Depreciation of right of use assets (Note 6)	**76,788**	-
Amortization of intangible assets (Note 7)	**711,115**	2,412,585
	2,232,976	3,676,855

26. Finance income

	2022	2021
	AED	AED
Interest on bonds	**308,831**	-
Interest on term deposits (Note 12)	**859,546**	1,622,921
Other interest income	**6,159**	293
	1,174,536	1,623,214

27. Finance cost

	2022	2021
	AED	AED
Interest expense	**114,327**	-
Interest on lease liabilities	**11,509**	-
	125,836	-

28. Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2022	2021
	AED	AED
Short-term leases (Note 23)	**5,098,989**	4,221,743

29. Cash and cash equivalents for cash flow purpose

	2022	2021
	AED	AED
Cash and cash equivalents (Note 13)	**12,019,691**	13,016,385
Less: Overdraft (Note 16)	**(1,508,769)**	-
	10,510,922	13,016,385

30. Contingent liabilities

	2022	2021
	AED	AED
Labour guarantee	**174,000**	174,000

Labour guarantee represents the guarantee issued to Ministry of Labour for getting UAE work permit.

31. Financial instruments

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

Categories of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

	2022	2021
	AED	AED
Financial assets		
Measured at amortised cost:		
Cash and cash equivalents	**12,019,691**	13,016,385
Accounts and other receivables (less prepayments and advances)	**31,307,328**	25,747,095
Other financial assets	**104,568,557**	114,608,177
	147,895,576	153,371,657
Financial liabilities		
Measured at amortised cost:		
Accounts and other payables (less advances and VAT payable)	**9,440,674**	7,451,563
Lease liabilities	**300,030**	-
Borrowings	**1,508,769**	-
	11,249,473	7,451,563

32. Financial and other risk management

Management reviews overall financial and other risks covering specific areas, such as capital risk, liquidity risk, credit risk and market risk.

The Group's profile concerning exposure to financial risks identified below continues to be consistent.

32.1. Capital risk management

The capital is being managed by the Group in such a way that it is able to continue as a going concern while maximizing returns to investor. The Group's overall strategy remains unchanged from previous year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to the shareholder of the Group; comprising of share capital, foreign currency translation reserve, restricted reserves, shareholder's current account, retained earnings and other comprehensive reserves as disclosed in the consolidated statement of changes in equity.

32. Financial and other risk management (continued)

32.2. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

32.3. Foreign currency risk

The Group's currency risk exposure relates to the exposure to the fluctuations in the foreign currency rates. There is no significant impact on USD as the UAE Dirham is pegged to the USD.

32.4. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group and arises principally from the Group's accounts and other receivables, due from related party balances and bank balances. The Group has adopted a policy of only dealing with creditworthy counterparties. However, significant revenue is generated by dealing with entities related to the Group, for whom the credit risk is assessed below.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries.

The concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have identical economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. All balances with banks represent local commercial banks.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations, generally approximates their carrying value. Accounts and other receivables and balances with banks are not secured by any collateral. The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

32. Financial and other risk management (continued)

32.4. Credit risk (continued)

Credit risk grading framework:

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-months ECL
Doubtful	The amount is >90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	The amount is >365 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	The amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

Group	Rating	12 month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
March 31, 2022					
Accounts receivables	(i)	Lifetime ECL (Simplified approach)	**9,335,066**	**(3,699,405)**	**5,635,661**
March 31, 2021					
Accounts receivables	(i)	Lifetime ECL (Simplified approach)	17,932,961	(1,839,489)	16,093,472
Due from related parties	(i)	Lifetime ECL (Simplified approach)	4,627,185	(92,544)	4,534,641

(i) For accounts receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

32.5. Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Group manages the liquidity risk through risk management framework for the Group's short, medium and long-term funding and liquidity requirements by maintaining adequate reserves and sufficient cash and cash equivalents to ensure that funds are available to meet its commitments for liabilities as they fall due.

32. Financial and other risk management (continued)

32.5. Liquidity risk (continued)

The table below analyses the Group's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Within 1 year	More than 1 year	Total
As at March 31, 2022	AED	AED	AED
Measured at amortised cost:			
Accounts and other payables (less advances and VAT payable)	**9,440,674**	**-**	**9,440,674**
Lease liabilities	**126,689**	**173,341**	**300,030**
Borrowings	**1,508,769**	**-**	**1,508,769**
	11,076,132	**173,341**	**11,249,473**
As at March 31, 2021			
Measured at amortised cost:			
Accounts and other payables (less advances and VAT payable)	7,451,563	-	7,451,563

32.6. Fair value hierarchy

The Group measures financial assets such as financial assets at FVTOCI at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes places either:

- In the principal market for asset or liability, or
- In the absence of the principal market, in the most advantageous market for asset or liability.
- All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy mentioned in Note 3 and described below.

At year end, the Group held the following assets measured at fair value:

	Level 1
	AED
Investment in FVTOCI	22,233,660

33. Segment information

Operating segment:

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 "Operating Segments". The management of the Group assessed the Group into the following key business segments:

Providing services related to visa and passport processing with Indian Embassy/Consulate and running travel agency, tour operations (mainly outbound) and management consultancy services.

These businesses are the basis on which the Group reports its primary segment information to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance. Transactions between segments are conducted at estimated market rates on an arm's length basis and eliminated on consolidation.

Segment of revenue	2022 AED	2021 AED
Middle East	**194,265,615**	126,469,391
Asia Pacific	**30,248,600**	21,521,824
Europe	**24,191,468**	1,307,373
Africa	**1,618,308**	60,650
North America	**114,636,940**	53,725,659

Geographical segment:

The Group operates in the following geographical segment: Middle East, Asia Pacific, Europe, Africa and North America.

34. Comparative figures

Specific comparative figures have been reclassified/regrouped, wherever necessary, as to conform to the presentation adopted in these consolidated financial statements.