Thomas Cook (Mauritius) Operations Company Limited

FINANCIAL STATEMENTS

FOR YEAR ENDED

31 MARCH 2024

	PAGES

Corporate data

		Date appointed
Directors:	Mr Mohinder Dyall	4 September 2013
	Mr Mahesh Chandran Iyer	13 April 2022
	Mr Debasis Nandy	17 December 2018
	Mr Madhavan Menon	8 March 2019
	Mrs Lovania Devina Ouma Pertab	1 April 2019
	Mrs Vidisha Ramlugun	12 April 2021
	Mrs Selvida Naiken	29 March 2022

Secretary:
Executive Services Limited
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port Louis
Republic of Mauritius

Registered office:
Anglo-Mauritius House
4 Intendance Street
Port Louis
Republic of Mauritius

Auditor:
Baker Tilly
Level 4, Building A5
15 Wall Street
Ebene 72201
Republic of Mauritius

Bankers:
AfrAsia Bank Limited
Bank One Limited
BCP Bank (Mauritius) Limited
ABSA Bank (Mauritius) Limited
MauBank Ltd
SBM Bank (Mauritius) Ltd
SBI (Mauritius) Ltd
The Mauritius Commercial Bank Ltd

For the year ended 31 March 2024
Annual report

The directors present their annual report together with the audited financial statements of Thomas Cook (Mauritius) Operations Company Limited, the "Company", for the year ended 31 March 2024.

Principal activity

The principal activity of the Company is to deal in foreign exchange under a foreign exchange dealer licence issued by the Bank of Mauritius.

Results and dividends

The results for the year are as shown on page 24.
The directors recommended the payment of a dividend Rs **10,000,000** for the year under review (2023: Nil).

Directors

The present membership of the Board is set out on page 2.

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

· select suitable accounting policies and then apply them consistently;

· make judgments and estimates that are reasonable and prudent;

· state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements; and

· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and the International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that adequate accounting records have been maintained and effective systems of internal control and risk management were in place.

For the year ended 31 March 2024

Certificate from the Secretary to the member of Thomas Cook (Mauritius) Operations Company Limited

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We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of Thomas Cook (Mauritius) Operations Company Limited , under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 31 March 2024.

for **Executive Services Limited**
Secretary

Registered address:
2nd Floor, Les Jamalacs Building
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Port Louis
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Date:

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INDEPENDENT AUDITOR'S REPORT
To the Shareholder of Thomas Cook (Mauritius) Operations Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of *Thomas Cook (Mauritius) Operations Company Limited* (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 23 to 56 give a true and fair view of the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholder of Thomas Cook (Mauritius) Operations Company Limited

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

This opinion has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purposes.

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

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

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

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholder of Thomas Cook (Mauritius) Operations Company Limited

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the corporate data, annual report and certificate from the secretary.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor.

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

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

Baker Tilly

Date:

Sin C. LI, CPA, CGMA
Licensed by FRC

Thomas Cook (Mauritius) Operations Company Limited

Statement of financial position as at 31 March 2024

	Notes	2024 Rs	2023 Rs
Assets			
Non-current assets			
Plant and equipment	7	**10,622,178**	10,496,196
Intangible assets	8	**38,891**	46,440
Rights-of-use assets	9	**8,532,498**	14,878,934
Deferred tax assets	22	**443,470**	2,570,008
Non-current assets		**19,637,037**	27,991,578
Current			
Investment in treasury bills	10	**47,026,997**	55,791,181
Trade and other receivables	11	**7,046,092**	4,842,337
Cash and cash equivalents	12	**46,641,888**	54,209,841
Total current assets		**100,714,977**	114,843,359
Total assets		**120,352,014**	142,834,937
Equity and liabilities			
Equity			
Stated capital	13	**64,814,900**	64,814,900
Retained earnings		**21,224,835**	16,516,250
Gratuity benefit deficits		**(1,731,400)**	89,300
Total equity		**84,308,335**	81,420,450
Liabilities			
Non-current			
Gratuity obligations	14	**4,370,647**	2,002,647
Lease liabilities	16	**3,487,832**	5,361,163
Non-current liabilities		**7,858,479**	7,363,810
Liabilities			
Current			
Trade and other payables	17	**20,058,685**	12,147,936
Bank overdraft	15	**614,813**	32,358,938
Lease liabilities	16	**4,558,185**	8,696,053
Tax liability	22	**2,953,517**	847,750
Current liabilities		**28,185,200**	54,050,677
Total liabilities		**36,043,679**	61,414,487
Total equity and liabilities		**120,352,014**	142,834,937

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

Name:	**Name:**	**Name:**
Director	**Director**	**Chief Operating Officer**

The notes on pages 27 to 56 form an integral part of these financial statements.

Statement of profit or loss for the year ended 31 March 2024

	Notes	2024 Rs	2023 Rs
INCOME			
Net gains from foreign currency dealings and net foreign exchange differences	18	**75,104,506**	73,243,187
Other operating income	19	**23,316,281**	14,587,127
Sundry income		**222,000**	-
Administrative expenses		**(76,305,748)**	(62,979,242)
Operating profit	23	**22,337,039**	24,851,072
Finance income	20	**1,835,367**	564,575
Finance costs	21	**(3,363,073)**	(2,589,508)
Net finance cost		**(1,527,706)**	(2,024,933)
Profit before tax		**20,809,333**	22,826,139
Tax expense	22	**(6,100,748)**	(64,778)
Profit for the year		**14,708,585**	22,761,361
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Deferred tax	22	**321,300**	(38,700)
Actuarial loss on gratuity benefit obligations	14	**(2,142,000)**	258,000
Other comprehensive income for the year, net of tax		**(1,820,700)**	219,300
Total comprehensive income the year		**12,887,885**	22,980,661

The notes on pages 27 to 56 form an integral part of these financial statements.

Thomas Cook (Mauritius) Operations Company Limited

Statement of changes in equity for the year ended 31 March 2024

	Note	Stated capital	Retained earnings	Gratuity benefit deficits	Total
		Rs	Rs	Rs	Rs
At 01 April 2023		**64,814,900**	**16,516,250**	**89,300**	**81,420,450**
Transaction with the shareholder					
Profit for the year		**-**	**14,708,585**	**-**	**14,708,585**
Dividend paid	**13**		**(10,000,000)**		**(10,000,000)**
Other comprehensive income:					
Deferred tax		**-**	**-**	**321,300**	**321,300**
Actuarial loss on gratuity benefit obligations				**(2,142,000)**	**(2,142,000)**
Total comprehensive income for the year		**-**	**4,708,585**	**(1,820,700)**	**2,887,885**
At 31 March 2024		**64,814,900**	**21,224,835**	**(1,731,400)**	**84,308,335**
At 01 April 2022		64,814,900	(6,245,111)	(130,000)	58,439,789
Transaction with the shareholder		-	-	-	-
Profit for the year		-	22,761,361	-	22,761,361
					-
Other comprehensive income:					-
Deferred tax			-	(38,700)	(38,700)
Actuarial gain on gratuity benefit obligations		-	-	258,000	258,000
Total comprehensive income for the year		**-**	22,761,361	219,300	22,980,661
At 31 March 2023		64,814,900	16,516,250	89,300	81,420,450

The notes on pages 27 to 56 form an integral part of these financial statements.

Statement of cash flows for the year ended 31 March 2024

	Notes	2024 Rs	2023 Rs
Operating activities			
Profit before tax		**20,809,333**	22,826,139
Adjustment for:			
Depreciation	**7, 9**	**10,777,654**	10,302,883
Amortisation	**8**	**7,549**	54,117
Gratuity benefit obligations	**14**	**791,000**	554,000
Interest income		**(1,835,367)**	(564,575)
Interest expense		**3,363,073**	2,589,508
Unrealised foreign exchange		**(924,377)**	-
Loss on disposal		**(105,146)**	-
Total adjustments		**12,074,386**	12,935,933
Net changes in working capital:			
Change in trade and other receivables		**(2,203,755)**	6,310,803
Change in trade and other in payables		**7,910,750**	(15,403,934)
Tax paid	**22**	**(847,750)**	-
Total changes in working capital		**4,859,245**	(9,093,131)
Interest received		**1,835,367**	392,555
Interest paid		**(3,515,484)**	(1,905,717)
Net cash generated from operating activities		**36,062,847**	25,155,779
Investing activity			
Purchase of plant and equipment	**7**	**(2,231,919)**	(3,400,628)
Employee Contributions	**14**	**(565,000)**	(529,000)
Proceeds from disposal		**452,292**	-
Net cash (used in) investing activity		**(2,344,627)**	(3,929,628)
Financing activity			
Proceeds from redemption of investment in treasury bills	**10**	**24,452,750**	77,473,300
Investment in treasury bills	**10**	**(13,853,199)**	(78,534,051)
Payment of lease liabilities	**16**	**(7,332,783)**	(3,362,648)
Addition in ROU	**9**	**-**	(6,282,178)
Dividend paid		**(10,000,000)**	-
Change in borrowings		**(34,572,941)**	26,349,637
Net cash (used in)/generated from financing activity		**(41,306,173)**	15,644,060
Net change in cash and cash equivalents		**(7,587,953)**	36,870,211
Cash and cash equivalents, beginning of the year		**54,209,841**	17,339,630
Cash and cash equivalents, end of the year (note 12)		**46,621,888**	54,209,841
Cash and cash equivalents made up of:			
Cash in hand and cash at bank (Note 12)		**46,641,888**	54,209,841
Bank overdrafts (Note 15)		**614,813**	32,358,938
		46,027,075	21,850,903

The notes on pages 27 to 56 form an integral part of these financial statements.

1. General information and statement of compliance with International Financial Reporting Standards ("IFRS")

Thomas Cook (Mauritius) Operations Company Limited, the "Company", was incorporated in the Republic of Mauritius under the former Mauritius Companies Act 1984 (now replaced by the Mauritius Companies Act 2001) on 14 January 2000 as a private company with liability limited by shares. The Company's registered office is Ground Floor, Anglo Mauritius House, 4, Intendance Street, Port Louis, Republic of Mauritius.

The main activity of the Company is to deal in foreign exchange under a foreign exchange dealer licence issued by the Bank of Mauritius on 17 June 2005. The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

2 Application of new and revised IFRS

2.1 Application of new and revised International Financial Reporting Standards ("IFRS")

Up to the date of issue of these financial statements, the IASB has issued the following amendments which are effective for annual periods beginning on or after 01 January 2023:

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments - Disclosure of Accounting Policies)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

2.1 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whilst changes in accounting policies are generally applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

IAS 12 Income Taxes (Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

2.1 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules)

The amendments align the standard's requirements with similar amendments to IAS 12 Income Taxes issued in May 2023. The application of the exception and disclosure of that fact is effective immediately, the other disclosure requirements are effective for annual reporting periods beginning on or after 1 January 2023.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS (Pillar Two model rules). In March 2022, the OECD released commentary and illustrative examples that elaborate on the application and operation of the rules and clarify certain terms.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The stakeholders emphasised an urgent need for clarity given the imminent enactment of tax law to implement the rules in some jurisdictions. In response to stakeholder concerns, the IASB proposed amendments to IAS 12 Income Taxes. It issued Exposure Draft International Tax Reform—Pillar Two Model Rules (Proposed Amendments to IAS 12) on 9 January 2023. Given the urgent requirement for clarity, a shorter comment period of 60 days was provided. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules on 23 May 2023.

The Amendments introduce a temporary exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

2.2 Standards and interpretations issued and not yet effective for the financial year ended 31 March 2024

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them. The directors have assessed that the below standards would not have an impact on the financial statements.

Amendments to:	Effective for accounting period beginning on or after
IFRS 7 Financial Instruments: Disclosures (Amendments regarding supplier finance arrangements)	01-Jan-24
IFRS 16 Leases (Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions)	01-Jan-24
IAS 1 Presentation of Financial Statements (Amendments - Classification of Liabilities as Current or Non-current)	01-Jan-24
IAS 1 Presentation of Financial Statements (Amendments - Non-current Liabilities with Covenants)	01-Jan-24
IAS 7 Statement of Cash Flows (Amendments regarding supplier finance arrangements)	01-Jan-24
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01-Jan-24
IFRS S2 Climate – related Disclosures	01-Jan-24
IAS 21 The effects of changes in foreign exchange rates (Amendments – Lack of exchangeability)	01-Jan-25

The directors are in the process of assessing the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. The amendments are not expected to have any major impact on the Company's financial statements.

3 Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Foreign currency

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in "Mauritian Rupees" ("MUR" or "Rs").

3 Summary of significant accounting policies(Cont'd)

3.2 Foreign Currency(Cont'd)

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.3 Plant and equipment

Plant and equipment are initially recorded at cost and subsequently measured at cost less accumulated depreciation and impairment loss.

Depreciation is calculated on the straight-line method to write down the cost of the assets to their residual values over their estimated useful lives as follows:

Office equipment	4.75%
Computer equipment	25%
Furniture and fittings	6.33%
Motor vehicles	15%
Right-of-use	20% - 50%

Depreciation is provided in full in the month of addition and in respect of assets written off and disposed, up to the month of write off and disposal. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of an asset, the difference between the carrying value of the asset and sale consideration is taken to the statement of comprehensive income.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date. Repairs and maintenance costs are expensed as incurred.

Assets of value up to Rs 10,000 are written off completely in the month of acquisition.

3 Summary of significant accounting policies (Cont'd)

3.4 Intangible assets

Computer software

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Acquired computer software has been assessed as having a finite useful life which has been estimated to 3 years.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

3.5 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, where appropriate.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

3 Summary of accounting policies (Cont'd)

3.5 Financial instruments (Cont'd)

Classification and initial measurement of financial assets (Cont'd)

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance income or finance costs, except for impairment losses which are presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, loan to related party and most of its receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of these new requirements include mainly amount due from related parties.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company makes use of a simplified approach in accounting for its amount due from related parties and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company writes off a financial asset when there is information indicating that the debtor is in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

3 Summary of accounting policies (Cont'd)

3.5 Financial instruments (Cont’d)

Subsequent measurement of financial assets (Cont’d)

Classification and subsequent measurement of financial liabilities

The Company’s financial liabilities include bank overdrafts, trade and other payables and lease liabilities.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs.

Offsetting financial instruments

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

3.6 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.7 Trade receivables

Trade receivables represents commission receivable on MoneyGram transfers.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective rate of interest less impairment. Discounting is omitted where the effect of discounting is immaterial.

3.8 Finance costs

Finance costs are usually referred to as the interest costs on short-term and long-term borrowings. Finance costs are recognized as expense on Income Statement in the period in which they are incurred.

3.9 Cash and cash equivalents

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

3 Summary of accounting policies (Cont'd)

3.10 Equity and reserves

Stated capital is determined using the nominal value of shares that have been issued

Retained earnings/accumulated losses include all current and prior years' results.

Gratuity benefit deficits comprise of the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.

3.11 Income tax

Income tax expense represents the sum of the tax currently payable, deferred tax and Corporate Social Responsibility not recognised in other comprehensive income or directly in equity.

(i) Current tax

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, but it further excludes items that are neither taxable nor deductible.

The Company's liability for current tax is on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred taxation

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary differences will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full.

(iii) Corporate Social Responsibility ("CSR")

The Company is subject to CSR and the contribution is at a rate of 2% on chargeable income of the preceding financial year.

Effective 01 January 2019, the contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

3.12 Investment in treasury bills

Treasury bills are short-term debt instruments issued by the government. They are sold at a discount and redeemed at par value, generating interest income for the investors. They are considered as cash equivalents and the cash equivalents are the line item on the balance sheet which is the value of the company's assets.

3 Summary of accounting policies (Cont'd)

3.13 Employee benefits

Gratuity obligations

The liability recognised in the statement of financial position in respect of gratuity obligations is the present value of the gratuity obligations at the end of the reporting period. The gratuity obligations are calculated annually by independent actuaries. The present value of the gratuity obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the profit or loss.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Benefits falling due more than 12 months after the reporting period are discounted to their present value.

Termination benefits include wages, salaries, social security contributions, travelling and insurance. These costs are charged to the profit or loss when incurred.

Employee leave entitlement

Employee entitlement to annual leave and other benefits are supposed to be recognised when they accrue to the employees. However, the Company encourages all employees to take all their annual leave and other benefits during the year and hence there is no provision required.

3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3 Summary of accounting policies (Cont'd)

3.15 Revenue Recognition

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1.Identifying the contract with a customer.
2.Identifying the performance obligations.
3.Determining the transaction price.
4.Allocating the transaction price to the performance obligations.
5.Recognising revenue when/as performance obligation(s) are satisfied.

The Company earns fees and commission from the sale and purchase of foreign currencies and from the provision of services as detailed below.

3.15.1 Net gains from foreign currency dealings

Sale of foreign currency

Dealings in foreign exchange transactions are recognised on customer acceptance. Gains and losses arising on these dealings are recognised on a net basis.

Net foreign exchange differences include net realised gains and net gain on currencies translations at year end.

3.15.2 Other operating income

Other operating income comprises of fees and commission arising from telegraphic transfers, MoneyGram transactions, income from pick-up and delivery of foreign currencies to banks net of import charges.

Fees and commissions are recognised at a point in time, when the Company satisfies performance obligations by transferring services to its clients.

3.15.3 Interest income

Interest income is recognised on an accrual basis using the effective interest rate method.

3.16 Leased assets

The Company as a lessee

For any new contracts entered into on or after 01 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitl specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified ass throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Compar assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

3 Summary of significant accounting policies (Cont'd)

3.16 Leased assets (Cont'd)

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a right-of-use liability (lease liability) on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the right-of-use liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets and lease liabilities have been disclosed as separate line items.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term. The finance lease liability is reduced by lease payments net of finance charges.

The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3 Summary of significant accounting policies (Cont'd)

3.17 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.18 Expense recognition

All expenses are accounted for on the accrual basis

3.19 Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

Trade payables also include advances received from customers in respect of telegraphic transfers not yet processed by the Company at the reporting date.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective rate of interest. Discounting is omitted where the effect of discounting is immaterial.

3.20 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the year of the borrowings using the effective interest method.

Borrowing costs are expensed in the year in which they are incurred.

3.22 Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

3 Summary of significant accounting policies (Cont'd)

3.22 Significant management judgements in applying accounting policies and estimation uncertainty (Cont'd)

Estimation uncertainty (Cont'd)

Gratuity benefit obligations

The cost of gratuity benefit obligations is determined using actuarial valuation. The actuarial valuation is based on a number of critical underlying assumptions such as discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Variation in these assumptions may significantly impact the gratuity benefit obligations amount and the annual defined benefit expenses.

These assumptions were developed by an independent actuarial appraiser. The benefit obligations at the reporting date were estimated at Rs **4,370,647** (2023: Rs 2,002,647).

Depreciation and amortisation rates

The Company depreciates or amortises its assets over their estimated useful lives. The estimation of useful lives is based on historical performance and expectation about future use and requires significant degree of judgement. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

Impairment of receivables

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its receivables. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

4 Financial instrument risk

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risks are managed at the level of the Board of Directors with the assistance of line managers. The Board is responsible for overseeing the establishment of effective risk management systems and the monitoring of internal compliance and controls.

The Company's financial assets and financial liabilities by category are summarised below:

	2024	2023
	Rs	Rs
Financial assets		
Current		
Investment in treasury bills	**47,026,997**	55,791,181
Trade and other receivables*	**3,176,027**	2,936,618
Cash and cash equivalents	**46,641,888**	54,209,841
Total financial assets	**96,844,912**	112,937,640
Financial liabilities		
Non-current		
Lease liabilities	**3,487,832**	5,361,163
Current		
Trade and other payables**	**19,475,435**	11,676,936
Bank overdraft	**614,813**	32,358,938
Lease liabilities	**4,558,185**	8,696,053
	24,648,433	52,731,927
Total financial liabilities	**28,136,265**	58,093,090

**Trade and other receivables considered as financial assets exclude prepayments.*

***Trade and other payables considered as financial liabilities exclude TDS and Bonus payable*

4 Financial instrument risk (Cont'd)

4.1 Market risk analysis

Foreign exchange sensitivity

The Company has financial assets and liabilities denominated in United States Dollar ("USD"), EURO and Great Britain Pound ("GBP"). Consequently, the Company is exposed to the risk that the exchange rates of USD, EURO and GBP relative to MUR may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in the foreign currencies. The effect of any change in the exchange rates of other currencies relative to MUR will not have any material impact on the operating cash flows.

The currency profile of the Company's financial assets and financial liabilities is as follows:

	Financial as:		Financial liabilities	
	2024	2023	**2024**	2023
	Rs	Rs	**Rs**	Rs
MUR	**74,707,931**	84,469,876	**27,521,452**	58,093,090
USD	**5,387,320**	6,298,236	**-**	-
EURO	**13,394,196**	21,155,548	**-**	-
GBP	**1,812,910**	980,179	**614,813**	-
Others	**1,542,555**	33,801	**-**	-
	96,844,912	112,937,640	**28,136,265**	58,093,090

Foreign currency sensitivity

The information below illustrates the sensitivity of movementt in foreign exchange rates against the MUR and the impact of profit or loss for the year and equity.

It assumes a **10%** change in the USD/MUR, EURO/MUR and GBP/MUR exchange rate for the year ended 31 March 2024 (2022: 10%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the MUR had strengthened against the USD, EURO and GBP by 10%, equity would have decreased by Rs **1,997,961** at 31 March 2024 (2023: Rs 2,843,395). If the MUR had weakened by the same percentage against these foreign currencies, equity would have increased by Rs **1,997,961** (2023: 2,843,395).

	2024		2023	
	Profit or Loss	**Equity**	Profit or Loss	Equity
	Rs	**Rs**	Rs	Rs
USD	**538,732**	**(538,732)**	629,823	(629,823)
EURO	**1,339,420**	**(1,339,420)**	2,115,554	(2,115,554)
GBP	**119,810**	**(119,810)**	98,018	(98,018)
	1,997,961	**(1,997,961)**	2,843,395	(2,843,395)

Interest rate risk

The Company has interest bearing financial assets and financial liabilities in the form of bank balances, overdrafts and leases. The interest on the overdraft facilities is at floating rate.

4 Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

4.1 Market risk analysis (Cont'd)

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date.

If interest rate on the financial instruments had been 25 basis points higher/lower, the net effect would be Rs **1,537** (2023: Rs 60,738 on the operating cash flows and equity.

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The financial assets that potentially expose the Company to credit risk consist only of cash and cash equivalents. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024	2023
	Rs	Rs
Financial assets		
Current		
Investment in treasury bills	**47,026,997**	55,791,181
Trade and other receivables	**3,176,027**	2,936,618
Cash and cash equivalents	**46,641,888**	54,209,841
	96,844,912	112,937,640

Trade receivables consist of amount due from MoneyGram for which the Directors consider risk of default as minimal since the latter is a highly reputable organisation.

The Directors consider that no credit risk is associated with the amount due from the related party included in trade and other receivables, as the latter forms part of the same group of companies and the ultimate holding company has undertaken to make good of any loss suffered by the Company in the event of any default arising out from this amount due.

The Company holds investment in Government of Mauritius treasury bills on which credit risk is considered minimal.

The credit risk for cash and cash equivalents is considered negligible, since the Company transacts with reputable banks.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

None of the above financial assets are secured by collaterals or other credit enhancements.

4 Financial instrument risk (Cont'd)

4.3 Risk management objectives and policies (Cont'd)

Liquidity risk analysis

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

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by monitoring cash inflows and outflows due in day-to-day business.

The maturity profile of the financial liabilities is summarised as follows:

31 March 2024	**Carrying amount Rs**	**Less than one year Rs**	**1-5 Years years Rs**
Trade and other payables	**19,475,435**	**19,475,435**	**-**
Bank overdraft	**614,813**	**-**	**-**
Lease liabilities	**8,046,017**	**4,558,185**	**3,487,832**
	28,136,265	**24,033,620**	**3,487,832**

31 March 2023	Carrying amount Rs	Less than one year Rs	1-5 Years years Rs
Trade and other payables	11,676,936	11,676,936	-
Bank overdraft	32,358,938	32,358,938	-
Lease liabilities	14,057,216	5,361,163	8,696,053
	58,093,090	49,397,037	8,696,053

Credit risk

The Company operates on a cash basis and no credit is entertained to customers. The Company's credit risk is mainly associated with the amount due from the related party. The directors consider that no credit risk is associated with the amount due from the related party as the latter forms part of the same group of companies and the ultimate holding company has undertaken to make good of any loss suffered by the Company in the event of any default arising out from this amount due.

Other receivables include transactions which are in the normal course of business and on which no credit risk is anticipated.

4 Financial instrument risk (Cont'd)

4.3 Risk management objectives and policies (Cont'd)

Income projection

The main sources of revenue are from the selling and buying of foreign exchange currencies, telegraphic and MoneyGram transactions. The Company has projected an increase in its revenue derived from foreign exchange transactions of 52% in the coming financial year as the international borders are opened in the coming months while for its MoneyGram revenue, an increase of 25% has been estimated over the same period. To encourage these increases, marketing efforts will be enhanced towards corporate customers as these carry a higher income-generating potential.

However, due to the ongoing losses being sustained by the telegraphic segment where revenue being generated has not been sufficient to match fixed costs, the Company decided to discontinue this service. Furthermore, the MoneyGram business is projected to pick up more towards the end of year 2021, the number of transactions has experienced a constant increase year on year. The situation is being closely monitored and other strategic measures will be implemented depending on the evolution of the impact to alleviate the effect on the Company's activities.

Operating costs

It is expected that measures such as rental waivers from landlords, freezing of new hiring and incentive pay outs will be maintained. The business activities will remain stable in the forthcoming months and the gradual pick up is expected as from October 2021. As a result, the fixed and variable costs will continue to be closely monitored so that the Company does not have liquidity stress.

5 Capital management policies and procedures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member and other stakeholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, buy back shares or issue new shares.

The structure of the Company consists of debt, which includes borrowings, offset by cash and cash equivalents and equity comprising issued capital and retained earnings.

The Company monitors capital on the basis of the gearing ratio. This ratio is determined as the proportion of net debt to total capital.

	2024	2023
	Rs	Rs
Total borrowings (Note (i))	**8,660,830**	46,416,154
Less: cash and cash equivalents	**(46,641,888)**	(54,209,841)
Net debt	**(37,981,058)**	(7,793,687)
Total equity (Note (ii))	**84,308,335**	81,420,450
Total capital	**46,327,277**	73,626,763
Gearing ratio	**(82%)**	**(11%)**

5 Capital management policies and procedures (Cont'd)

(i) Borrowings comprise of bank overdrafts and lease liabilities as detailed in Notes 15 and 16.

(ii)Equity includes both capital and reserves.

(iii) The Company is required to maintain an unimpaired capital of Mauritian Rupee 25,000,000 and an additional two million rupees for each branch that it operates in accordance with the Terms and Conditions of its Foreign Exchange Dealer Licence. At 31 March 2024, the Company's total equity stood at Rs **84,308,335** (2023: Rs 81,420,450) and therefore the Company meets the unimpaired capital requirement.

Also, in accordance with Section 25 of the Banking Act 2004, the Company should maintain minimum liquid assets, equivalent to not less than 10 per cent of its liabilities, as may be determined by the Bank of Mauritius. Management considers the cash and cash equivalents and Government of Mauritius treasury bills as liquid assets and the total amount of these assets exceeded the total liabilities balance at the reporting date.

6 Fair value measurement

6.1 Fair value measurement of financial instruments not carried at fair value

The Company's financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of plant and equipment, intangible assets, deferred tax assets, other assets and prepayments. Its non-financial liabilities consist of gratuity obligations.

For both non-financial assets and non-financial liabilities, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

7 Plant and equipment

	Office Equipment Rs	**Computer Equipment Rs**	**Furniture and Fittings Rs**	**Motor Vehicles Rs**	**Total Rs**
Cost					
At 01 April 2023	**6,177,363**	**7,830,458**	**10,712,155**	**3,645,000**	**28,364,976**
Additions	**58,430**	**679,389**	**552,100**	**942,000**	**2,231,919**
Disposals	**(24,157)**	**(80,845)**	**(631,337)**	**(790,000)**	**(1,526,339)**
At 31 March 2024	**6,211,636**	**8,429,002**	**10,632,918**	**3,797,000**	**29,070,556**
Depreciation					
At 01 April 2023	**3,199,502**	**6,538,533**	**5,890,685**	**2,240,060**	**17,868,780**
Charge for the year	**282,267**	**487,607**	**629,364**	**359,552**	**1,758,790**
Disposals adjustment	**(8,386)**	**(80,571)**	**(300,235)**	**(790,000)**	**(1,179,192)**
At 31 March 2024	**3,473,383**	**6,945,569**	**6,219,814**	**1,809,612**	**18,448,378**
Net book values					
At 31 March 2024	**2,738,253**	**1,483,433**	**4,413,104**	**1,987,388**	**10,622,178**

	Office Equipment Rs	Computer Equipment Rs	Furniture and Fittings Rs	Motor Vehicles Rs	Total Rs
Cost					
At 01 April 2022	6,107,761	6,737,086	10,036,809	2,445,000	25,326,656
Additions	168,657	1,131,942	824,932	1,200,000	3,325,531
Disposals	(99,055)	(38,570)	(149,586)	-	(287,211)
At 31 March 2023	6,177,363	7,830,458	10,712,155	3,645,000	28,364,976
Depreciation					
At 01 April 2022	3,066,616	6,261,524	5,424,927	2,087,625	16,840,692
Charge for the year	276,843	337,149	615,345	152,435	1,381,772
Disposals adjustment	(143,957)	(60,140)	(149,587)	-	(353,684)
At 31 March 2023	3,199,502	6,538,533	5,890,685	2,240,060	17,868,780
Net book values					
At 31 March 2023	2,977,861	1,291,925	4,821,470	1,404,940	10,496,196

8 Intangible assets

	Computer software	
	2024	2023
	Rs	Rs
Cost		
At 01 April	**5,778,353**	5,769,728
Addition	**-**	8,625
At 31 March	**5,778,353**	5,778,353
Amortisation		
At 01 April	**5,731,913**	5,677,796
Charge for the year	**7,549**	54,117
At 31 March	**5,739,462**	5,731,913
Net book values		
At 31 March	**38,891**	46,440

9 Rights-of-use assets

	2024	2023
	Rs	Rs
Cost		
At 01 April	**40,558,223**	34,276,045
Remeasurement adjustment	**737,170**	-
Additions	**2,301,620**	6,282,178
Termination	**(483,738)**	-
At 31 March	**43,113,275**	40,558,223
Depreciation		
At 01 April	**25,679,289**	16,758,177
Remeasurement adjustment	**(117,376)**	-
Charge for the year	**9,018,864**	8,921,112
At 31 March	**34,580,777**	25,679,289
Net book values		
At 31 March	**8,532,498**	14,878,934

The statement of comprehensive income includes the following amounts relating to leases:

	2024	2023
	Rs	Rs
Depreciation on right-of-use assets	9,018,864	8,921,112
Interest expense on lease liabilities	534,265	683,791

10 Investment in treasury bills

	2024	2023
	Rs	Rs
At 01 April	**55,791,181**	54,558,410
Purchased during the year	**13,853,199**	78,534,051
Redeemed during the year	**(24,452,750)**	(77,645,787)
Interest element	**1,835,367**	344,507
At 31 March	**47,026,997**	55,791,181

10 Investment in treasury bills (Cont'd)

At 31 March 2024, the Company held treasury bills through financial institutions with maturity dates of 04 October 2025, 03 December 2026 and 29 August 2024 interest rates between 3.39% - 5.21%.

11 Trade and other receivables

	2024	2023
	Rs	Rs
Trade receivables (Note (i))	450,000	489,840
Due from a related party (Note (ii))	-	325,260
Rental and other deposits	1,745,740	1,574,216
Other receivables and prepayments	4,850,352	2,453,021
	7,046,092	4,842,337

(i) Trade receivables represent commissions receivable from MoneyGram. The credit period is one week and no interest is charged on overdue balances.

(ii)The amount due from the related party is interest-free, unsecured and receivable on demand.

(iii)Expected credit losses

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for trade receivables and amount due from the related party as this item do not have a significant financing component.

The Directors consider that no credit risk is associated with the amount due from the related party as the latter forms part of the same group of companies and the ultimate holding company has undertaken to make good of any loss suffered by the Company in the event of any default arising out from this receivable.

	2024	2023
	Rs	Rs
Ageing of past debtors		
0 - 30 days	450,000	489,840
Total	450,000	489,840

12 Cash and cash equivalents

	2024	2023
	Rs	Rs
Cash at bank:		
Local currency	2,432,839	1,301,814
Foreign currency	13,642,944	28,498,870
Cash in hand:		
Local currency	22,072,068	14,719,828
Foreign currency	8,494,037	9,689,328
Cash at bank and in hand	46,641,888	54,209,841
Bank overdrafts (Note 15)	-	(24,295,581)
Total	46,641,888	29,914,260

13 Stated capital

	2024	2023
	Rs	Rs
At 01 April	**64,814,900**	64,814,900
At 31 March	**64,814,900**	64,814,900

The number of shares at 31 March 2024 is 648,149 with a face value of Rs 100 each.

Rights attached to the ordinary shares are as per the Mauritius Companies' Act, as follows:

(i) the right to vote on a poll for every share held at a meeting of the Company on any resolution;
(ii) the right to an equal share in dividends authorised by the Board;
(iii) the right to an equal share in the distribution of the surplus assets of the Company.

During the year, a dividend of Rs 10,000,000 was paid (2023: Nil).

14 Gratuity obligations

The Company has recognised gratuity obligations of Rs **4,370,647** (2023: Rs 2,002,647) in the statement of financial position in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees as determined by the Company's actuary, Aon Hewitt.

	2024	2023
	Rs	Rs
Reconciliation of gratuity obligations		
At 01 April	**2,002,647**	2,235,647
Amount recognised in profit or loss	**791,000**	554,000
Amount recognised in other comprehensive income	**2,142,000**	(258,000)
Employee contributions	**(565,000)**	(529,000)
At 31 March	**4,370,647**	2,002,647
Reconciliation of present value of gratuity obligations		
At 01 April	**2,571,647**	2,302,647
Current service costs	**677,000**	465,000
Interest expense	**159,000**	103,000
(Other benefits paid)	**(169,000)**	(27,000)
Liability experience loss/(gain)	**1,901,000**	(14,000)
Liability loss due to change in financial assumptions	**196,000**	(258,000)
At 31 March	**5,335,647**	2,571,647

	2024	2023
	Rs	Rs
Reconciliation of fair value of plan assets		
At 01 April	**569,000**	67,000
Interest income	**45,000**	14,000
Benefits paid	**(169,000)**	(27,000)
Return on plan assets excluding interest income	**(45,000)**	(14,000)
Employer contribution	**565,000**	529,000
At 31 March	**965,000**	569,000
Components of amount recognised in profit or loss		
Current service costs	**677,000**	465,000
Past service costs	**-**	-
Net interest on net defined benefit liability	**114,000**	89,000
	791,000	554,000

Components of amount recognised in other comprehensive income

	2024	2023
	Rs	Rs
Return on plan assets below interest income	**45,000**	14,000
Liability experience loss/(gain)	**1,901,000**	(14,000)
Liability loss due to change in financial assumptions	**196,000**	(258,000)
	2,142,000	(258,000)

14 Gratuity obligations (Cont'd)

Principal assumptions used at end of year		
Discount rate	**5.20%**	6.60%
Rate of salary increases	**3.70%**	4.50%
Average retirement age	**60**	60

Sensitivity analysis on gratuity obligations at end of year		
Increase due to 1% decrease in discount rate	**368,000**	287,000
Decrease due to 1% increase in discount rate	**327,000**	243,000

Future cash flows

(a) The funding policy is to pay benefits out of the reporting entity's cash flow as and when due.
(b) Expected employer contribution for the next year is Rs 915,000
(c) Weighted average duration of the gratuity obligations established at 7 years.

The Company is subject to an unfunded defined benefit plan for the employees. The plan exposes the Company to normal risks described below:

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by a decrease in inflationary pressures on salary increases.

Future cash flows (Continued)

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year, except for data adjustments.

15 Borrowings

	2024	2023
	Rs	Rs
Current		
Borrowing	**614,813**	8,063,357
Bank overdrafts (Note 12)	**-**	24,295,581
Total borrowings	**614,813**	32,358,938

The entity has an overdraft facility with Mauritius Commercial Bank which shall be reviewed at 31 August 2024. Rate applicable on the facility is as follows:

<u>Rate of Interest applicable on the Overdraft facility:</u>

1. Up to MUR 25,000,000/- MCB's Prime Lending Rate (currently at 4.10%p.a) will be charged on daily debit balances

2. Up to EUR 600,000/-: EURIBOR 1 Month (floored to 0.00%p.a) plus margin of 3.00%p.a will be charged on daily debit balances

3. Up to GBP 500,000/-: LIBOR 1 Month (floored to 0.00%p.a) plus margin of 3.00%p.a will be charged on daily debit balances

4. Up to USD 800,000/-: LIBOR 1 Month (floored to 0.00%p.a) plus margin of 3.00%p.a will be charged on daily debit balances

15 Borrowings

Convenants

The facilities are subject to the satisfaction of the following covenants:

(i) The Borrower shall ensure that, upon maturity of the new Treasury Bill belonging to Thomas Cook (Mauritius) Operations Company Limited, in custody with the MCB Ltd:-
• The Treasury Bill is renewed with the MCB Ltd; or
• A minimum of MUR 25,000,000 is routed to a new renewable Fixed Deposit Account, opened with the MCB Ltd, and this shall be pledged to secure the overdraft facility.

(ii) The Borrower shall provide the Bank with its audited accounts and of any parent, subsidiary, other associate of the Borrower or sureties/guarantors in respect of the Borrower's indebtedness to the Bank, prepared in accordance with international accounting standards and consistently applied, at the earliest but not later than 180 days of the end of each financial year;

(iii) The Borrower shall provide the Bank with management accounts within 30 days of the end of each quarter. The management accounts are to include the balance sheet and profit and loss statement.

16 Lease liabilities

The Company's lease liabilities relate rental of buildings.

The remaining period of the lease contracts varies from 1 to 5 years as from 01 April 2022.

	2024	2023
	Rs	Rs
At 01 April	**14,057,216**	16,736,073
Remeasurement	**715,619**	-
Additions	**555,438**	-
Termination	**(483,738)**	-
Adjusted liabilities	**14,844,535**	16,736,073
Payments during the year	**(7,332,783)**	(3,362,648)
Interest accrued	**534,265**	683,791
At 31 March	**8,046,017**	14,057,216
Split between:		
Non-current	**3,487,832**	5,361,163
Current	**4,558,185**	8,696,053
	8,046,017	14,057,216

Future minimum lease payments at 31 March 2024 were as follows:

	Within 1 year	**1 – 5 years**	**Total**
	Rs	**Rs**	**Rs**
31-Mar-24			
Lease payments	**4,023,920**	**3,487,832**	**7,511,752**
Finance charges	**534,265**	-	**534,265**
Net present values	**4,558,185**	**3,487,832**	**8,046,017**

16 Lease liabilities (Cont'd)

	Within 1 year	1 – 5 years	Total
	Rs	Rs	Rs
31-Mar-23			
Lease payments	8,012,262	5,361,163	13,373,425
Finance charges	683,791	-	683,791
Net present values	8,696,053	5,361,163	14,057,216

Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amount as at 31 March 2024	**Depreciation expense for the year**	**Impairment**
	Rs	**Rs**	**Rs**
Buildings under rental	**8,532,498**	**9,018,864**	-

	Carrying amount as at 31 March 2023	Depreciation expense for the year	Impairment
	Rs	Rs	Rs
Buildings under rental	14,878,934	8,921,112	-

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets or the terms of the contract that do not satisfy the three key criteria as described in the accounting policy on lease (Note 3.16) and payments made under such leases are expensed on a straight-line basis.

17 Trade and other payables

	2024	2023
	Rs	Rs
Trade payables	**13,252,436**	2,191,746
Due to intermediate holding company	**2,456,070**	1,786,904
Accruals and other payables	**4,350,179**	8,169,286
	20,058,685	12,147,936

The amount payable to the intermediate holding company is unsecured, interest-free and repayable on demand.

18 Net gains from foreign currency dealings and net foreign exchange differences

Net gains from foreign currency dealings arise from sale and purchase of foreign currencies. Dealings in foreign exchange transactions are recognised on customer acceptance. Gains and losses arising on dealings in foreign currencies are recognised on a net basis.

Net foreign exchange differences include net realised gains and net gain on currencies translations at year end.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

19 Other operating income

	2024 Rs	2023 Rs
Income from pick-up and delivery of foreign currencies to banks, net of import charges	**268,854**	519,241
Net income on telegraphic transfers (Note (i))	**(421,512)**	(1,508,121)
Income received on MoneyGram transactions	**23,468,939**	15,576,007
	23,316,281	14,587,127

(i) The income from telegraphic transfers (TT) is net of charges on transactions.

20 Finance income

	2024 Rs	2023 Rs
Bank interest	**-**	220,068
Interest received on treasury bills	**1,835,367**	344,507
	1,835,367	564,575

21 Finance costs

	2024 Rs	2023 Rs
Interest on bank overdrafts	**2,828,808**	1,905,717
Interest on lease liabilities	**534,265**	683,791
	3,363,073	2,589,508

22 Taxation

(i) Income tax

The Company is liable to income tax at the rate of 15% and at 31 March 2024, tax losses of Rs **2,953,517** (2023: Rs 847,750) was carried forward.

	2024 Rs	2023 Rs
Balance as at 1 April 2023	**847,750**	-
APS paid during the year	**(699,393)**	-
Income tax	**3,539,877**	847,750
Corporate social responsibility	**113,033**	-
Paid during the year	**(847,750)**	-
	2,953,517	847,750

(ii) Tax credit

	2024 Rs	2023 Rs
Movement in current tax liability	**3,539,877**	847,750
Movement in deferred taxation	**2,447,838**	(782,972)
Movement in corporate social responsibility	**113,033**	-
Total	**6,100,748**	64,778

(iii) Income tax reconciliation

The income tax on the Company's profit before tax differs from the theoretical amount that would arise using the effective tax rate is as follows:

22 Taxation (Cont'd)

(iii) Income tax reconciliation (Continued)

	2024 Rs	2023 Rs
Profit before tax	**20,809,333**	22,826,139
Tax at 15%	**3,121,400**	3,423,921
Non-allowable items	**2,095,000**	241,543
Movement on deferred taxation- Profit & loss	**2,447,838**	(782,972)
Exempt income	**(1,676,523)**	-
Corporate social responsibility	**113,033**	-
Tax loss utilised	**-**	(2,817,714)
Tax expense	**6,100,748**	64,778

(iv) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15%.

The movement in deferred tax liabilities is as follows:

	2024 Rs	2023 Rs
At 01 April	**2,570,008**	1,825,736
Movement during the year	**(2,126,538)**	744,272
At 31 March	**443,470**	2,570,008

The deferred tax assets are made up of:

	2024 **Rs**	**2023** **Rs**
Accelerated capital allowances	**212,180**	385,358
Accumulated tax losses	**-**	(2,654,969)
Gratuity obligations	**(655,650)**	(300,397)
Total	**(443,470)**	(2,570,008)

23 Operating profit

	2024 Rs	2023 Rs
Operating loss is arrived at after charging:		
Depreciation of plant and equipment	**1,758,790**	1,381,772
Depreciation of rights of use assets	**9,018,864**	8,921,112
Amortisation of intangible assets	**7,549**	54,116
Rental expenses	**1,667,652**	1,257,036
Security charges	**2,979,408**	3,001,771
Telephone and connectivity charges	**1,957,123**	1,979,711
Licences	**2,801,666**	351,901
Audit fees and other fees	**670,635**	423,197
Staff costs:		
Salaries and allowances	**19,781,448**	17,847,520
Social security costs	**2,583,821**	1,696,745
Other employee benefits	**8,160,644**	6,033,693

24 Related party transactions

For the year ended 31 March 2024 and 2023, the Company had transactions with its related parties. The nature, volume of transactions and the balances are as follows:

Nature of relationship	**Nature of transactions**	**Volume of transactions**	**Debit/(credit) balance at 31 Mar-24**	Debit/(credit) balance at 31 Mar-23
		Rs	**Rs**	Rs
Intermediate holding company	Payable	**669,166**	**2,456,070**	1,786,904
Fellow subsidiary	Receivable	**(325,260)**	**-**	325,260

The terms and conditions of the receivables and payables are described in Notes 11 and 17 to these financial statements respectively.

25 Contingent liabilities

The Company has given bank guarantees for an amount of Rs 80,000 and for which no financial loss is anticipated.

26 Reconciliation of liabilities arising from financing activities

31-Mar-24	**Opening balance**	**Cash flows**	**Non-cash changes**	**Closing balance**
	Rs	**Rs**	**Rs**	**Rs**
Treasury bills	**55,791,181**	**(8,764,184)**	**-**	**47,026,997**
Lease liabilities	**14,057,216**	**(6,011,199)**	**-**	**8,046,017**
Bank overdrafts	**(32,358,938)**	**31,744,125**	**-**	**(614,813)**
	37,489,459	**16,968,742**	**-**	**54,458,201**

31-Mar-23	Opening balance	Cash flows	Non-cash changes	Closing balance
	Rs	Rs	Rs	Rs
Treasury bills	54,558,410	(888,264)	2,121,035	55,791,181
Lease liabilities	16,736,073	(3,362,648)	683,791	14,057,216
Bank overdrafts	(6,009,301)	(26,349,637)	-	(32,358,938)
	65,285,182	(30,600,549)	2,804,826	37,489,459

27 Compensation of key management personnel

	2024	2023
	Rs	Rs
Salaries and other short term employee benefits	**-**	30,475,716

28 Holding companies

The Directors consider Thomas Cook (Mauritius) Holding Company Limited, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company. Thomas Cook (Mauritius) Holding Company Limited holds 100 % of the shares of the Company.

Thomas Cook (India) Limited, a company incorporated in the Republic of India, holds 100% of the shares of Thomas Cook (Mauritius) Holding Company Limited.

Fairbridge Capital (Mauritius) Limited, a subsidiary of Fairfax Financial Holdings Limited (the 'ultimate holding'), Canada and its affiliates represent a 63.84% stake in Thomas Cook (India) Limited as on 31 March 2024.

29 Events after the reporting date

There has been no significant event after the reporting date which requires disclosures or amendments to the financial statements.

Thomas Cook (Mauritius) Holidays Ltd

FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2024

Contents

Corporate data

		Date appointed
Directors:	Mr Mahesh Chandran Iyer	07-Dec-12
	Mr Mohinder Dyall	04-Sep-13
	Mr Debasis Nandy	20-Aug-18
	Mr Madhavan Menon	08-Mar-19
	Mrs Lovania Pertab	01-Apr-19

Registered office:
Anglo Mauritius House
4 Intendance Street
Port Louis
Republic of Mauritius

Secretary:
Executive Services Limited
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port Louis
Republic of Mauritius

Auditors:
Baker Tilly
Level 4, Building A5
15 Wall street
Ebene
Republic of Mauritius

Bankers:
The Mauritius Commercial Bank Ltd
SBM Bank (Mauritius) Ltd
Absa Bank (Mauritius) Limited

Annual report

The directors have pleasure in submitting their annual report together with the audited financial statements of Thomas Cook (Mauritius) Holidays Ltd, the "Company", for the year ended 31 March 2024.

Principal activity

The principal activity of the Company is that of a tour operator and travel agent.

The results for the year are as shown on page 10.

The directors did not recommend any dividend during the year under review (2023: Rs Nil).

Directors

The present membership of the Board is set out on page 2.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements, except that the directors have approved the winding up of the company during the year and an application have been made to the Registrar Of Companies under Section 309(1)(d) to remove the company from the Registrar Of Companies. The financial statements have been prepared on a non going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' interests

The directors do not hold any interests in the ordinary shares of the Company.

Significant contracts

No contracts of significance exist between the Company and its directors.

Annual report (Cont'd)

Directors' remuneration

During the year ended 31 March 2024, the directors received an aggregate amount of Rs **30,000** (2023: Rs 30,000) as directors' fees. No other remuneration was received

Donations

The Company has not made any donations during the year under review (2023: Nil).

Auditor

The fees charged by the auditor (exclusive of VAT), **Baker Tilly**, for audit and tax services were:

	2024	2023
	Rs	Rs
Audit services	**73,000**	80,002
Non audit services	**62,500**	32,919
	135,500	112,921

Director

Director

Date: 30 APR 2024

Certificate from the Secretary to the member of Thomas Cook (Mauritius) Holidays Ltd

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Thomas Cook (Mauritius) Holidays Ltd**, under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 31 March 2024

EXECUTIVE SERVICES LTD

for **Executive Services Limited**
Secretary
Jehaan Din Mahomed Badourkan

Registered address:
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port Louis
Republic of Mauritius

Date: 30 APR 2024

Level 4, Building A5
15 Wall Street
Ebène 72201
Mauritius

T: +230 460 8800
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INDEPENDENT AUDITOR'S REPORT
To the Shareholder of Thomas Cook (Mauritius) Holidays Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thomas Cook (Mauritius) Holidays Ltd (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 9 to 36 give a true and fair view of the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

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

Emphasis of matter – Going concern

We draw attention to Note 1 in the financial statements concerning the Company's ability to continue as a going concern. During the year, the directors have approved the winding up of the company and an application has been made to the Registrar Of Companies under Section 309(1)(d) to remove the company from the Registrar Of Companies. Consequently, the financial statements have been prepared on a non-going basis.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholder of Thomas Cook (Mauritius) Holidays Ltd

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

This opinion has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purposes.

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

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

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

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Thomas Cook (Mauritius) Holidays Ltd

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the corporate data, annual report and certificate from the secretary.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor.

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

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

Baker Tilly

Baker Tilly

Date: 30 April 2024

Sin C. LI, CPA, CGMA
Licensed by FRC

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of financial position as at 31 March 2024

	Notes	2024 Rs	2023 Rs
Assets			
Non-current assets			
Plant and equipment	7	-	43,281
Deferred tax assets	17	-	2,444,456
Non-current assets		-	2,487,737
Current			
Trade and other receivables	8	**184,488**	1,214,625
Cash and cash equivalents	9	**70,494**	322,098
Current assets		**254,982**	1,536,723
Total assets		**254,982**	4,024,460
Equity and liabilities			
Equity			
Stated capital	10	**18,326,000**	18,326,000
Accumulated losses		**(18,624,256)**	(37,153,277)
Shareholders'deficit		**(298,256)**	(18,827,277)
Liabilities			
Non-current			
Gratuity obligations	11	-	-
Non-current liabilities		-	-
Current			
Trade and other payables	12	**553,238**	22,849,589
Bank overdraft	9	-	2,148
Current liabilities		**553,238**	22,851,737
Total liabilities		**553,238**	22,851,737
Total equity and liabilities		**254,982**	4,024,460

Approved by the Board of Directors on 30 APR 2024 and signed on its behalf by:

Director **Director**

The notes on pages 13 to 36 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of comprehensive income for the year ended 31 March 2024

	Notes	2024 Rs	2023 Rs
Net commission income	13	**148,840**	947,878
Other income		**-**	653,686
Administrative expenses		**(1,113,608)**	(660,639)
Operating (loss)/profit		**(964,768)**	940,925
Loan and interest write back	21	**22,146,620**	-
Net finance costs	16	**(208,375)**	(206,484)
Profit before tax		**20,973,477**	734,441
Tax expense	14	**(2,444,456)**	2,444,456
Profit for the year		**18,529,021**	3,178,897
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial loss on gratuity benefit obligations	11	**-**	(1,000)
Items that will be reclassified subsequently to profit or loss			
Other comprehensive loss for the year, net of tax		**-**	(1,000)
Total comprehensive income for the year		**18,529,021**	3,177,897

The notes on pages 13 to 36 forms an integral part of these financial statements

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of changes in equity for the year ended 31 March 2024

	Stated capital	Accumulated losses	Total
	Rs	Rs	Rs
At 01 April 2023	**18,326,000**	**(37,153,277)**	**(18,827,277)**
Profit for the year	**-**	**18,529,021**	**18,529,021**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**18,529,021**	**18,529,021**
At 31 March 2024	**18,326,000**	**(18,624,256)**	**(298,256)**
At 01 April 2022	18,326,000	(40,331,174)	(22,005,174)
Profit for the year	-	3,178,897	3,178,897
Other comprehensive loss	-	(1,000)	(1,000)
Total comprehensive loss for the year	-	3,177,897	3,177,897
At 31 March 2023	18,326,000	(37,153,277)	(18,827,277)

The notes on pages 13 to 36 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

Statement of cash flows for the year ended 31 March 2024

	2024	2023
	Rs	Rs
Operating activities		
Profit before tax	**20,973,477**	734,441
Adjustments for:		
Interest income	**-**	(8,112)
Interest expense	**-**	231,750
Depreciation	**6,081**	288,327
Loss on disposal	**37,200**	-
Amortisation	**-**	18,171
Gratuity benefit obligations	**-**	(329,000)
Total adjustments	**43,281**	201,136
Net changes in working capital:		
Change in trade and other receivables	**1,030,137**	687,792
Change in trade and other payables	**(22,296,351)**	4,656,175
Change in lease liabilities	**-**	(290,746)
Total changes in working capital	**(21,266,214)**	5,053,221
Interest paid	**-**	(231,750)
Interest received	**-**	8,112
Contributions paid	**-**	(9,000)
Net cash (used in)/generated from operating activities	**(249,456)**	5,756,160
Financing activities		
Repayment of bank overdrafts	**(2,148)**	(6,844,265)
Net cash used in financing activities	**(2,148)**	(6,844,265)
Net change in cash and cash equivalents	**(251,604)**	(1,088,105)
Cash and cash equivalents, beginning of the year	**322,098**	1,410,203
Cash and cash equivalents, end of the year	**70,494**	322,098
Cash and cash equivalents made up of:		
Cash in hand and at bank (Note 9)	**70,494**	322,098
Bank overdraft (Note 9)	**-**	(2,148)
	70,494	319,950

For reconciliation of liabilities arising from financing activities, refer to ***Note 20***.

The notes on pages 13 to 36 form an integral part of these financial statements.

1. General information and statement of compliance with International Financial Reporting Standards ("IFRS")

Thomas Cook (Mauritius) Holidays Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 14 June 2004 as a private company with liability limited by shares. The Company's registered office is Anglo Mauritius House, 4 Intendance Street, Port Louis, Republic of Mauritius.

The principal activity of the Company is that of a tour operator and travel agent.

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). During the year, the directors have approved the winding up of the company and an application have been made to the Registrar Of Companies under Section 309(1)(d) to remove the company from the Registrar Of Companies. The financial statements are prepared on a basis other than a going concern basis.

2. Application of new and revised IFRS

2.1 Application of new and revised International Financial Reporting Standards ("IFRS")

Up to the date of issue of these financial statements, the IASB has issued the following amendments which are effective for annual periods beginning on or after 01 April 2023:

➢ IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments - Disclosure of Accounting Policies)

➢ IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)

➢ IAS 12 Income Taxes (Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

➢ IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules)

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 01 April 2023.

<u>IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments - Disclosure of Accounting Policies)</u>

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 April 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

2 Application of new and revised IFRS (Cont'd)

2.1 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whilst changes in accounting policies are generally applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after 1 April 2023.

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

IAS 12 Income Taxes (Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 April 2023, with earlier application permitted.

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules)

The amendments align the standard's requirements with similar amendments to IAS 12 Income Taxes issued in May 2023. The application of the exception and disclosure of that fact is effective immediately, the other disclosure requirements are effective for annual reporting periods beginning on or after 1 April 2023.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS (Pillar Two model rules). In March 2022, the OECD released commentary and illustrative examples that elaborate on the application and operation of the rules and clarify certain terms.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The stakeholders emphasised an urgent need for clarity given the imminent enactment of tax law to implement the rules in some jurisdictions. In response to stakeholder concerns, the IASB proposed amendments to IAS 12 Income Taxes. It issued Exposure Draft International Tax Reform—Pillar Two Model Rules (Proposed Amendments to IAS 12) on 9 January 2023. Given the urgent requirement for clarity, a shorter comment period of 60 days was provided. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules on 23 May 2023.

2 Application of new and revised IFRS (Cont'd)

2.1 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules) (Cont'd)

The Amendments introduce a temporary exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

3 Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Foreign currency

Functional and presentation currency

Items included in the financial statements of the Companny are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in "Mauritian Rupees" ("MUR" or "Rs").

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. All foreign exchange gains and losses are presented in profit and loss within 'net finance income'.

Non-monetary items are not retranslated at period-end and are measured at historical cost at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items at fair value which are translated using the exchange rates at the date when fair value was determined.

3.3 Plant and equipment

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

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

3 Summary of accounting policies (Cont'd)

3.3 Plant and equipment (Cont'd)

Depreciation is calculated using the straight-line method to allocated their cost to their residual values over their estimated useful lives, as follows:

Office equipment	4.75%
Computer equipment	25%
Furniture and fittings	6.33%
Motor vehicles	15%
Right-of-use	33.33%

Depreciation is provided in full in the month of addition and in respect of assets written off and diposed, up to the month of write off and disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount it the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of comprehensive income.

Assets of value up to Rs 10,000 are written off completely in the month of acquisition.

3.4 Intangible assets

Computer software and licences

The useful lives of intangible asset are assessed as either finite or indefinite.

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Acquired computer software and licences have been assessed as having a finite useful life of 4 years.

3.5 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.6 Financial instrument

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial assets and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are intially measured at fair value adjusted for transaction costs, where appropriate.

Financial asset, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial asset that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequant measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assests and and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- After initial recognition, these are measured at amotised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'.

3 Summary of accounting policies (Cont'd)

3.6 Financial instrument (Cont'd)

Impairment of financial assets (Cont'd)

Instruments within the scope of the new requirements include mainly trade receivables.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company makes use of a simplified approach in accounting for its trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due.

The Company writes off a financial asset when there is information indicating that the debtor is in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities included trade and other payables and bank overdraft.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs.

Offsetting financial instruments

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

3.7 Trade and other receivables

Trade receivables are amounts due from customers for provision of services in the ordinary course of business and are classified as current assets if settlement is expected within one year.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective rate of interest less impairment. Discounting is omitted where the effect of discounting is immaterial.

3 Summary of accounting policies (Cont'd)

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.9 Equity and reserves

Stated capital is determined using the values of the shares that have been issued.

Accumulated losses include all current and prior years' results.

Gratuity benefit deficits comprise of the actuarial losses from changes in demographic and financial assumptions and the return on plan assets.

3.10 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective rate of interest. Discounting is omitted where the effect of discounting is immaterial.

3.11 Income tax

Income tax expense represents the sum of the tax currently payable, deferred tax and Corporate Social Responsibility not recognised in other comprehensive income or directly in equity.

(i) Current tax

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years but it further excludes items that are neither taxable nor deductible.

The Company's liability for current tax is on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred taxation

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary differences will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full

3 Summary of accounting policies (Cont'd)

3.11 Income tax (Cont'd)

(iii) **Corporate Social Responsibility**

The Company is subject to CSR and the contribution is at a rate of 2% on chargeable income of the preceding financial year.

However, effective as from 01 January 2017, further to change in the income tax legislation, the Company is required to contribute at least 50% of its CSR money to the National CSR Foundation through the Mauritius Revenue Authority. The remaining 50% of the CSR can be used by the Company in accordance with its own CSR Fund. Effective 01 January 2019, the contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

3.12 Employee benefits

Gratuity obligations

The liability recognised in the statement of financial position in respect of gratuity obligations is the present value of the gratuity obligations at the end of the reporting period. The gratuity obligations are calculated annually by independent actuaries. The present value of the gratuity obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the profit or loss.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Benefits falling due more than 12 months after the reporting period are discounted to their present value.

Termination benefits include wages, salaries, social security contributions, travelling and insurance. These costs are charged to the profit or loss when incurred.

Employee leave entitlement

Employee entitlement to annual leave and other benefits are supposed to be recognised when they accrue to the employees. However, the Company encourages all employees to take all their annual leave and other benefits during the year and hence there is no provision required.

3 Summary of accounting policies (Cont'd)

3.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3.14 Commission receivable

3.14.1 Revenue recognition

Revenue arises mainly on commission in relation to sales of air tickets, tour packages, Euro rail tickets and travel insurance.

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, that is when (or as) the Company satisfies performance obligations by transferring the promised services to its customers as described below.

Sales of air tickets and tour packages

Fees and commission on air tickets and travel packages sold by the Company are recognised when the service has been provided. Commissions earned as the general sales agent of airline operators are recognised on the basis of the revenue derived by the airline operator from all ticket sales made in Mauritius.

Sale of travel insurance

Fees and commission earned on travel insurance sold by the Company are recognised when the service has been provided.

Interest income

Interest income is recognised on an accrual basis using the effective interest rate method.

3.14.2 Direct costs

Direct costs incurred in generating income are recognised on an accrual basis.

3 Summary of accounting policies (Cont'd)

3.15 Leased assets

The company as a lessee

A lease is defined as 'a contract or part of a contract', that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

• the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;

• the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

• the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a right-of-use liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the right-of-use liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the right-of-use liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the right-of-use liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the right-of-use liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and right-of-use liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in plant and equipment and right-of-use liabilities have been disclosed in borrowings.

3 Summary of accounting policies (Cont'd)

3.15 Leased assets (Cont'd)

Expense recognition

All expenses are accounted for on an accrual basis in the statement of comprehensive income.

3.16 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.17 Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deductible temporary differences can be utilised.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Gratuity benefit obligations

The cost of gratuity benefit obligations is determined using actuarial valuations. The actuarial valuation is based on a number of critical underlying assumptions such as discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Variation in these assumptions may significantly impact the gratuity benefit obligations amount and the annual defined benefit expenses.

These assumptions were developed by an independent actuarial appraiser. The benefit obligations at the reporting date were estimated at **Rs Nil** (2023: Rs Nil).

Depreciation and amortisation rates

The Company depreciates or amortises its assets over their estimated useful lives. The estimation of useful lives is based on historical performance and expectation about future use and requires significant degree of judgement. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

3 Summary of accounting policies (Cont'd)

3.17 Significant management judgements in applying accounting policies and estimation uncertainty (Cont'd)

Impairment of receivables

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its receivables. The directors consider a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

4 Financial instrument risk

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. The board provides guidance for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

The Company's financial assets and financial liabilities by category are summarised below.

	2024	2023
	Rs	Rs
Financial assets		
Current		
Trade and other receivables*	**184,488**	958,240
Cash and cash equivalents	**70,494**	322,098
Total financial	**254,982**	1,280,338
Financial liabilities		
Current		
Trade and other payables**	**553,238**	22,649,431
Bank overdraft	**-**	2,148
	553,238	22,651,579

*Trade and other receivables considered as financial assets exclude deposits of Rs Nil (2023: Rs 62,765) and prepayments of Rs Nil (2023: Rs 193,620).

**Trade and other payables considered as financial liabilities exclude Value Added Taxes of Rs Nil (2023: Rs 200,158).

4 Financial instrument risk

Risk management objectives and policies (Cont'd)

4.1 Market risk analysis

Foreign exchange risk

The Company has financial assets and liabilities denominated in United States Dollar ("USD"). Consequently, the Company is exposed to the risk that the exchange rate of USD relative to MUR may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in USD. The effect of any change in the exchange rate of USD relative to MUR is nil since there is no assets and liabilities denominated in USD for the current year.

Interest rate risk

The Company has interest bearing financial assets and financial liabilities in the form of bank balances, bank overdraft and finance lease respectively. The interest thereon is based on market rates.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date.

If interest rate on the financial instruments had been 25 basis points higher/lower, the net effect would be marginal on the operating cash flows and equity.

4.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024	2023
	Rs	Rs
Financial assets		
Current		
Trade and other receivables	**184,488**	958,240
Cash and cash equivalent	**70,494**	322,098
	254,982	1,280,338

Trade and other receivables considered as financial assets exclude deposits of Rs **Nil** (2023: Rs 62,765) and prepayments of Rs **Nil** (2023: Rs 193,620).

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. The analysis of the expected credit losses is provided in Note 9 to these financial statements.

The credit risk for the bank balances is considered negligible since the Company transacts with reputable banks.

None of the above financial assets are secured by collaterals or other credit enhancements.

4 Financial instrument risk (Cont'd)

4.3 Liquidity risk analysis (Cont'd)

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

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium and long-term funding and liquidity management requirements.

The maturity profile of the financial instruments is summarised as follows:

	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	More than one year Rs
31-Mar-24				
Trade and other payables	**553,238**	**553,238**	**553,238**	-
	553,238	**553,238**	**553,238**	-

	Carrying amount Rs	Contractual cash flows Rs	Less than one year Rs	More than one year Rs
31-Mar-23				
Trade and other payables	22,649,431	22,649,431	22,649,431	-
Bank overdraft	2,148	2,148	2,148	-
	22,651,579	22,651,579	22,651,579	-

5 Capital management policies and procedures

The capital structure of the Company consists of debt, which includes borrowings, offset by cash and cash equivalents and equity comprising issued capital, and accumulated losses.

The Company monitors capital on the basis of the gearing ratio. This ratio is determined as the proportion of net debt to total capital.

	2024 Rs	2023 Rs
Total borrowings	**-**	2,148
Less: cash and cash equivalents	**(70,494)**	(322,098)
Net debt	**(70,494)**	(319,950)
Total equity	**(298,256)**	(18,827,277)
Gearing ratio	**24%**	2%

5 Capital management policies and procedures (Cont'd)

(i) Borrowings comprise of bank overdraft as detailed in Note 14.

(ii) Equity includes both capital and reserves.

6 Fair value measurement

6.1 Fair value measurement of financial instruments

The Company's financial assets and liabilities are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of plant and equipment, deposits and prepayments. Its non-financial liabilities consist of VAT and gratuity obligations.

For both non-financial assets and non-financial liabilities, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

7 Plant and equipment

	Office equipment Rs	Computer equipment Rs	Furniture and fittings Rs	Motor vehicles Rs	Right-of-use assets Rs	Total Rs
Cost						
At 01 April 2023	57,990	445,977	252,350	-	2,235,854	2,992,171
Disposal	**(55,500)**	-	**(80,504)**	-	-	**(136,004)**
At 31 March 2024	**2,490**	**445,977**	**171,846**	-	**2,235,854**	**2,856,167**
Depreciation						
At 01 April 2023	52,129	445,977	214,930	-	2,235,854	2,948,890
Disposal	**(51,206)**	-	**(47,598)**	-	-	**(98,804)**
Charge for the year	**1,567**		**4,514**	-	-	**6,081**
At 31 March 2024	**2,490**	**445,977**	**171,846**	-	**2,235,854**	**2,856,167**
Net book values						
At 31 March 2024	-	-	-	-	-	-

	Office equipment Rs	Computer equipment Rs	Furniture and fittings Rs	Motor vehicles Rs	Right-of-use assets Rs	Total Rs
Cost						
At 01 April 2022	57,990	445,977	252,350	977,604	2,235,854	3,969,775
Disposal	-	-	-	(977,604)	-	(977,604)
At 31 March 2023	57,990	445,977	252,350	-	2,235,854	2,992,171
Depreciation						
At 01 April 2022	49,493	445,977	209,818	977,604	1,955,275	3,638,167
Disposal	-	-	-	(977,604)	-	(977,604)
Charge for the year	2,636	-	5,112	-	280,579	288,327
At 31 March 2023	52,129	445,977	214,930	-	2,235,854	2,948,890
Net book values						
At 31 March 2023	5,861	-	37,420	-	-	43,281

All Plant and equipment have been disposed during the year.

8 Trade and other receivables

	2024 Rs	2023 Rs
Trade receivables, gross	**184,488**	958,240
Allowance for credit losses	**-**	-
Net trade receivables (Note (i))	**184,488**	958,240
Other receivables and prepayments	**-**	256,385
	184,488	1,214,625

(i) Total trade receivables (net of allowances) held by the Company at 31 March 2024 amounted to **Rs 184,488** (2023: Rs 958,240). No allowances for credit losses have been recognised during the year.

(ii) The average credit period provided to customers is generally within one month. No interest is charged on overdue balances. (2023: USD Nil)

(iii) Expected credit losses

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment pattern from customers and the corresponding historical credit losses during the prior year. For the year ended 31 March 2024, no expected credit losses were recognised in the accounts.

Trade receivables are written off when there is no reasonable expectation of recovery.

8 Trade and other receivables (Cont'd)

(iv) Movement in allowance for credit losses was as follows:

	2024 Rs	2023 Rs
At 01 April and 31 March	**1,344,517**	1,344,517

Ageing of past debtors

	2024 Rs	2023 Rs
0 - 30 days	-	3,438
Over 90 days	**184,488**	954,802
Total	**184,488**	958,240

(v) Provision matrix

The Company uses its historical experience, external indicators and forward–looking information to calculate expected credit losses using a provision matrix which is as below:

2024	**Trade receivables days past due**				
	0-30 days **Rs**	**31-60 days** **Rs**	**61-90 days** **Rs**	**Over 90 days** **Rs**	**Total** **Rs**
Expected credit losses	-	-	-	-	-
Gross carrying amount	-	-	-	**184,488**	**184,488**
Expected credit losses	-	-	-	-	-
Total	-	-	-	**184,488**	**184,488**

During the year, no expected credit losses were accounted.

2023	Trade receivables days past due				
	0-30 days Rs	31-60 days Rs	61-90 days Rs	Over 90 days Rs	Total Rs
Expected credit losses	-	-	-	-	-
Gross carrying amount	3,438	-	-	954,802	958,240
Expected credit losses	-	-	-	-	-
Total	3,438	-	-	954,802	958,240

9 Cash and cash equivalent

	2024 Rs	2023 Rs
Cash at bank	**70,494**	322,098
Bank overdraft	**-**	(2,148)
	70,494	319,950

Cash at bank:		
- MUR	**70,494**	322,098
- USD	**-**	(2,148)
	70,494	319,950

10 Stated capital

	2024 Rs	2023 Rs
183,260 ordinary shares of Rs 100 each	**18,326,000**	18,326,000

Rights attached to the ordinary shares are as per the Mauritius Companies' Act, as follows:

(i) the right to vote on a poll for every share held at a meeting of the Company on any resolution;
(ii) the right to an equal share in dividends authorised by the Board;
(iii) the right to an equal share in the distribution of the surplus assets of the Company.

11 Gratuity obligations

The Company has recognised a gratuity obligation of **Rs Nil** (2023: Rs Nil) in the statement of financial position in respect of any retirement gratuities that are expected to be paid out of the Company's cash flows to its employees as determined by the Company's actuary. During the year, the employees have been transferred to Thomas Cook (Mauritius) Operation Company Limited.

	2024 Rs	2023 Rs
Reconciliation of gratuity obligations		
At 01 April	-	337,000
Amount recognised in profit or loss	-	(329,000)
Amount recognised in other comprehensive income	-	1,000
Less Employers contributions	-	(9,000)
At 31 March	-	-

	2024 Rs	2023 Rs
Reconciliation of fair value of plan assets		
At 01 April	-	8,000
Interest income	-	1,000
Benefits paid	-	(17,000)
Return on plan assets excluding interest income	-	(1,000)
Employer contribution	-	9,000
At 31 March	-	-

	2024 Rs	2023 Rs
Reconciliation of present value of gratuity obligations		
At 01 April	-	345,000
Current service cost	-	6,000
Interest expense	-	1,000
Past service cost	-	(335,000)
Other benefits paid	-	(17,000)
At 31 March	-	-

	2024 Rs	2023 Rs
Components of amount recognised in profit or loss		
Current service cost	-	6,000
Past service cost	-	(335,000)
	-	(329,000)
Components of amount recognised in other comprehensive income		
Return on plan assets (above)/ below interest income	-	1,000
	-	1,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

11 Gratuity obligations (cont'd)

	2024 Rs	2023 Rs
Principal assumptions used at end of year:		
Discount rate	N/A	N/A
Rate of salary increases	N/A	N/A
Average retirement age	N/A	N/A
Sensitivity analysis on gratuity obligations at end of year:		
Increase due to 1% decrease in discount rate	-	-
Decrease due to 1% increase in discount rate	-	-

Future cash flows

(a) The funding policy is to pay benefits out of the Company's cash flows as and when due.

(b) Expected employer contribution for the next year is Rs Nil.

(c) Weighted average duration of the gratuity obligations established at 10 years.

The Company is subject to an unfunded defined benefit plan for the employees. The plan exposes the Company to normal risks described below:

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by a decrease in inflationary pressures on salary increases.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

There has been no plan amendment, curtailment or settlement during the year.

12 Trade and other payables

	2024 Rs	2023 Rs
Trade payables (Note (i))	4,600	608,495
Due to related parties- Thomas Cook (India) Ltd (Note (ii))	-	4,386,525
- Thomas Cook (Mauritius) Holding Company Limited (Note (iii))	-	17,729,900
Other payables	548,638	124,669
	553,238	22,849,589

(i) This relates to professional fees for dervices provided in regards to VAT cosultancy.

(ii) Balance has been repaid in full during the year.

(iii) **Thomas Cook (Mauritius) Holding Company Limited**

	2024 Rs	2023 Rs
Opening balance	17,729,900	1,211,100
Movement during the year	5,925,450	16,518,800
Write off during the year	(23,655,350)	-
Closing balance	-	17,729,900

13 Net commission income

	2024 Rs	2023 Rs
Gross billings	**2,067,293**	3,486,101
Direct costs	**(1,918,453)**	(2,538,223)
Net	**148,840**	947,878

14 Taxation

(i) Income tax

The Company is liable to income tax at the rate of 15% and at 31 March 2024 it had no income tax liability due to accumulated tax losses of **Rs 13,858,977** (2023: Rs 16,382,763) carried forward.

(ii) Income tax reconciliation

The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate is as follows:

	2024 Rs	2023 Rs
Profit before tax	**20,973,477**	734,441
Tax at effective rate of 15%	**3,146,022**	110,166
Exempt income	**(3,349,182)**	(91,281)
Non-allowable expenses	**24,909**	52,107
Deferred tax assets (written off)/provision	**(2,444,456)**	2,444,456
Deferred tax asset not recognised	**178,251**	(70,992)
Tax expense	**(2,444,456)**	2,444,456

(iii) Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15%. Deferred tax has been reversed during the year.

15 Operating profit

	2024 Rs	2023 Rs
Operating (loss)/profit is arrived at after charging:		
Depreciation	**6,081**	288,327
Amortisation	**-**	18,171
Staff costs:		
Salaries and allowances	**-**	349,637
Social security costs	**-**	17,926

16 Net finance costs

	2024 Rs	2023 Rs
Finance income		
Exchange (loss)/gains	**(208,375)**	17,154
Interest income	**-**	8,112
	(208,375)	25,266
Finance costs		
Interest on amount due to related party (Note (i))	**-**	(231,750)
Net finance costs	**(208,375)**	(206,484)

Note (i)
During the year, interest expense on amount due to Thomas Cook (Mauritius) Holding Company Limited has increased to Rs 1,508,730 and was written off.

17 Deferred tax asset

	2024 Rs	2023 Rs
Opening	**2,444,456**	-
Movement	**(2,444,456)**	2,444,456
Closing	**-**	2,444,456

The balance is made up of:

	2024 Rs	2023 Rs
Accumulated losses	**-**	2,457,415
Capital Allowance	**-**	(12,959)
	-	2,444,456

Deferred tax has been reversed during the year.

18 Related party transactions

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related only if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The loan and interest write back relates to principal and interest on the loan from Thomas Cook (Mauritius) Holding Company Limited which was written off as the company is winding up.

The following transactions were carried out with related parties:

(a) Amount payable with intermediate holding company

	2024 Rs	2023 Rs
Opening balance	**4,386,525**	4,386,525
Payment during the year	**(4,386,525)**	-
Closing balance	**-**	4,386,525

(a) Amount payable with holding company

	2024 Rs	2023 Rs
Opening balance	**17,729,900**	1,211,100
Movement during the year	**5,925,450**	16,518,800
Write off during the year	**(23,655,350)**	-
Closing balance	**-**	17,729,900

The terms and conditions are described in Note 13 to the financial statements.

19 Contingent liabilities

At 31 March 2024, there were no contingent liabilities in respect of bank guarantees (2023: Rs Nil) in the ordinary course of business for which it is anticipated that no material liabilities will arise.

20 Reconciliation of liabilities arising from financing activities

31-Mar-24	Opening balance Rs	Cash flows Rs	Non-cash changes Rs	Closing balance Rs
Right-of-use lease liabilities	-	-	-	-
Bank overdrafts	-	-	-	-
	-	-	-	-

31-Mar-23	Opening balance Rs	Cash flows Rs	Non-cash changes Rs	Closing balance Rs
Right-of-use lease liabilities	290,746	(290,746)	-	-
Bank overdrafts	6,846,413	(6,844,265)	-	2,148
	7,137,159	(7,135,011)	-	2,148

21 Loan and Interest write back

This relates to principal and interest on the loan from Thomas Cook (Mauritius) Holding Company Limited which was written off as the company is winding up.

22 Holding and ultimate parent company

The directors consider Thomas Cook (Mauritius) Holding Company Limited, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company. Thomas Cook (Mauritius) Holding Company Limited holds 100 % of the shares of the Company.

Thomas Cook (India) Limited, a company incorporated in India, holds 100% of the shares of Thomas Cook (Mauritius) Holding Company Limited.

Fairbridge Capital (Mauritius) Limited, a subsidiary of Fairfax Financial Holdings Limited (the 'ultimate parent'), Canada and its affiliates, represents 63.84% stake in Thomas Cook (India) Limited as on 31 March 2024.

23 Events after the reporting date

There has been no significant event after the reporting date which requires disclosures or amendments to the financial statements.

Independent Auditor's Report

Sita World Travel (Nepal) Pvt. Ltd
Kathmandu
Nepal

Opinion
We have audited the financial statements of Sita World Travel (Nepal) Pvt. Ltd (the "Company"), which comprise the balance sheet as at March 31, 2024, and the income statement, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at March 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting framework applicable to the holding company for the purpose of consolidation of financial statement.

Basis for opinion
We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our Report. We are independent of the Company in accordance with the *ICAN's Handbook of Code of Ethics for Professional Accountants* together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of accounting and Restriction on Distribution and Use
Without modifying our opinion, we draw attention to clause B–Basis of Preparation of Financial Statements of schedule 18, which describes the basis of accounting. The financial statements are prepared to assist the company for the purpose of providing information to the holding company to enable it to prepare its consolidated Financial Statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for Sita World Travel (Nepal) Pvt. Ltd and its holding company and should not be distributed to or used by parties other than for Sita World Travel (Nepal) Pvt. Ltd and its holding company.

Responsibility of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the with the financial reporting framework applicable to the holding company for the purpose of consolidation of financial statement and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

S.R. Associates Kathmandu Chartered Accountants

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 purposes of expressing an opinion on the effectiveness of the Company's internal control.

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

- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by the management,

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.

S.A.R. Associates Kathmandu Chartered Accountants

Sunir K. Dhungel
Managing Partner

Place: Kathmandu
Date: April 25, 2024

UDIN: 230504CA00109juytM

SITA World Travel (Nepal) Pvt Ltd
Jwagal, Kupondole, Lalitpur

Balance Sheet
As at 31 March 2024

Amount in NPR

	Sch	As at 31 March 2024	As at 31 March 2023
EQUITY & LIABILITIES			
Equity			
Share capital	1	79,013,900	2,250,000
Reserves and surplus	2	74,297,622	120,606,708
Total Equity		153,311,522	122,856,708
Liabilites			
Current liabilities and Provisions			
Current liabilities	9	100,265,620	116,928,369
Provisions	10	151,543,385	143,282,108
Lease Liabilities	16	3,848,900	6,742,285
Total Liabilities		255,657,905	266,952,762
Total Equity and Liabilites		408,969,426	389,809,470
ASSETS			
Non Current Assets			
Property, plant and equipment (net of depreciation)	3	37,090,599	12,157,022
ROU Assets	4	4,471,761	6,840,212
Deferred tax assets	11	2,531,493	4,819,775
Total Non Current Assets		44,093,853	23,817,008
Current Assets			
Investments	5	15,000,000	-
Sundry debtors	6	95,709,590	108,334,683
Cash & bank balances	7	28,932,697	37,940,409
Loans and advances	8	225,233,287	219,717,369
Total current assets		364,875,573	365,992,461
Total Assets		408,969,426	389,809,470
Contingent liabilities	17	300,371,862	295,029,015

Significant Accounting Policies and Other Explanatory Notes 18
(Schedule 1 to 10 and 16,17 & 18 form an integral part of this Balance Sheet)

As per our report of even date

Nirmal Nepal
Manager

Deenam Lamichhane
General Manager

Sunir Kumar Dhungel
Managing Partner
S.A.R. Associates
Chartered Accountants

S.A.R. Associates Kathmandu Chartered Accountants

Sanjay Shroff
Director

Dipak Deva
Director

Date: 25.04.2024
Place: Lalitpur

SITA World Travel (Nepal) Pvt Ltd
Jwagal, Kupondole, Lalitpur

Income Statement

for the period 1 April 2023 to 31 March 2024

Amount in NPR

	Sch	Current Year	Previous Year
Income			
Sales & services (net)	12	73,175,193	44,502,744
Other business income	13	20,778,459	5,260,251
		93,953,652	49,762,995
Expenditure			
Personnel expenses	14	23,930,873	18,954,599
Administrative expenses	15	8,290,974	8,725,652
Profit from Operation		61,731,805	22,082,744
Depreciation and amortisition	3	10,363,218	8,591,272
Depreciation of Right of Use Lease Assets		3,776,613	2,561,040
Interest Exp Finance Lease		507,470	743,436
Foreign exchange (gain)/loss		(3,320,893)	(4,972,186)
Profit before Tax		50,405,398	15,159,182
Current tax		13,622,086	-
Deferred tax expense/(income)		2,288,279	(2,334,612)
Profit after tax for the year		34,495,034	17,493,794
Basic Earnings per share of face value of Rs 100		44	778
Diluted earnings per share of face value of Rs 100		44	778

Significant Accounting Policies and Other Explanatory Notes 18
Schedule 3, 12 to 15 & 18 forms an integral part of this Income Statement

As per our report of even date

Nirmal Nepal
Manager

Deeram Lamichhane
General Manager

Sunir Kumar Dhungel
Managing Partner
S.A.R. Associates
Chartered Accountants

Sanjay Shroff
Director

Dipak Deva
Director

Date: 25.04.2024
Place: Lalitpur

SITA World Travel (Nepal) Pvt. Ltd.
Jwagal, Kupondole, Lalitpur

Cash Flow Statement

for the period 1 April 2023 to 31 March 2024

Amount in NPR

	Sch	Current Year	Previous Year
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) before taxation and extraordinary items		34,495,034	15,159,182
Adjustment for:			
Depreciation		10,363,218	8,591,272
Depreciation of Right of Use Lease Assets		3,776,613	2,561,040
Provisions for staff bonus		-	-
Interest income		(781,050)	(5,192,943)
Misc Income		(1,443,649)	-
Profit on sale of fixed assets		(6,686,572)	(442)
Creditors balance written off		(11,867,188)	(31,038)
Foreign Currency Fluctuation		(3,320,893)	(4,972,186)
Operating Profit before changes in working capital		24,535,512	16,114,885
Decrease/ (Increase) in current assets		14,065,008	(33,779,069)
Increase/ (Decrease) in current liabilities		8,826,525	(17,770,287)
Cash generated from operations		47,427,046	(35,434,470)
Payment from retirement benefit fund		(5,360,809)	(167,560)
Income tax paid		(3,772,173)	(644,745)
Payment of staff bonus		-	
Net cash flows from operating activities		38,294,064	(36,246,775)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest received		609,988	5,555,173
(Purchase)/Adjustment of fixed assets/ investments		(1,408,162)	(2,847,221)
Proceeds on sale of assets		(28,610,217)	442
(Increase)/Decrease of Investment in fixed deposit during the year		(15,000,000)	61,748,000
Net cash flows from investing activities		(44,408,391)	64,456,394
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares (except bonus shares)		-	-
Payments for the principal portion of the lease liability		(2,385,916)	(1,894,751)
Interest portion of the lease liability		(507,470)	(743,436)
Repayment of long-term loan		-	-
Dividend paid		-	-
Net cash flows from financing activities		(2,893,386)	(2,638,187)
Net increase/ (decrease) in cash (A+B+C)		(9,007,713)	25,571,432
Opening Cash and Cash Equivalents		37,940,410	12,368,979
		28,932,697	37,940,410

Significant Accounting Policies and Other Explanatory Notes 18

Nirmal Nepal
Manager

Deenam Lamichhane
General Manager

Sanjay Shroff
Director

Dipak Deva
Director

As per our report of even date

Sunir Kumar Dhungel
Managing Partner
S.A.R. Associates
Chartered Accountants

S.A.R. Associates Kathmandu Chartered Accountants

Date: 25.04.2024
Place: Lalitpur

SITA World Travel (Nepal) Pvt Ltd
Jwagal, Kupondole, Lalitpur

Statement of Changes in Equity
for the period 1 April 2023 to 31 March 2024

Amount in NPR

Particulars	Note	Share Capital	Accumulated Profit	Total
Balance at 31 March 2023		2,250,000	120,606,708	122,856,708
Changes in accounting policy		-	-	-
Restated balance at 31 March 2023		2,250,000	120,606,708	122,856,708
Currency translation differences		-	-	-
Net gains and losses not recognised in the income statement		-	-	-
Net profit for the period		-	34,495,034	34,495,034
Dividend		-	(80,804,120)	(80,804,120)
Issue of share capital		76,763,900	-	76,763,900
Balance at 31 March 2024		79,013,900	74,297,622	153,311,522

Significant Accounting Policies and Other Explanatory Notes 18

As per our report of even date

Nirmal Nepal
Manager

Deenam Lamichhane
General Manager

Sunir Kumar Dhungel
Managing Partner
S.A.R. Associates
Chartered Accountants

Sanjay Shroff
Director

Dipak Deva
Director

Date: 25.04.2024
Place: Lalitpur

Sita World Travel (Nepal) Pvt Ltd

Schedule 1 : Share Capital

	As at 31 March 2024 Rs	As at 31 March 2023 Rs
A. Authorised		
790139 (previous year 60,000) Equity shares of Rs 100 each	79,013,900	6,000,000
	79,013,900	6,000,000
B. Issued, subscribed and paid up		
790139 (previous year 22,500) Equity shares of Rs 100 each fully paid up	79,013,900	2,250,000
Of the above 5,00,000 equity shares of Rs 100 each fully paid up have been issued to Travel Corporation India Ltd. the parent company		
Total	79,013,900	2,250,000

Schedule 2: Reserves & surplus

Balance brought forward	120,606,708	103,112,914
Profit/(Loss) (Transferred from income statement)	-	
Adjustment to Retained Earning	-	
Less: Dividend payment	(80,804,120)	-
Profit/(Loss) (Transferred from income statement)	34,495,034	17,493,794
Total	74,297,622	120,606,708

S.A.R. Associates Chartered Accountants

SITA World Travel (Nepal) Pvt Ltd

Schedule 3: Property, Plant and Equipment

Amount in NPR

	Cost				Accumulated Depreciation/Amortisation				Net Book Value	
	As at	Addition	Sales/	Total as at	As at	Charged for	Deduction/	Total as at	As at	As at
Particulars	**31 March 2023**	during the year	adjustments	**31 March 2024**	**31 March 2023**	the year	Adjustment	**31 March 2024**	**31 March 2024**	**31 March 2023**
Furniture and fixtures	3,899,038	-	-	3,899,038	3,306,680	428,836	-	3,735,515	163,523	592,359
Office equipment	5,295,542	610,900	520,973	5,385,469	5,208,091	183,988	520,973	4,871,106	514,363	87,451
Computers	6,212,594	2,748,100	4,888,607	4,072,087	5,249,311	547,930	4,888,607	908,634	3,163,453	963,283
Vehicles	48,184,740	31,767,611	10,342,767	69,609,583	37,670,829	9,194,715	10,342,767	36,522,777	33,086,806	10,513,912
Leasehold improvement	2,698,987	170,178	-	2,869,165	2,698,968	7,749	-	2,706,718	162,454	18
Total	**66,290,901**	**35,296,789**	**15,752,347**	**85,835,342**	**54,133,878**	**10,363,218**	**15,752,347**	**48,744,750**	**37,090,599**	**12,157,022**
Previous Year	**65,219,430**	**1,071,471**	-	**66,290,901**	**45,657,139**	**8,583,739**	**107,000**	**54,133,878**	**12,157,022**	**19,562,289**
Intangible Assets										
Computer software	280,500	-	-	280,500.00	280,500	(0)	-	280,500	-	-
Total	**280,500**	-	-	**280,500**	280,500	**(0)**	-	**280,500**	-	-
Previous Year	**280,500**	-	-	**280,500**	227,971	44,996	-	272,967	7,533	52,529
Grand Total	66,571,401	35,296,789	15,752,347	86,115,842	54,414,378	10,363,218	15,752,347	49,025,250	37,090,599	12,157,022

SITA World Travel (Nepal) Pvt Ltd

		As at 31 March 2024 Rs	As at 31 March 2023 Rs
Schedule 4 : ROU Assets			
Cost			
As at 1 April 2023		16,319,806	16,319,806
Increase		1,408,162	-
Obligation		-	-
Transferable and reclassification		-	-
Decrease		-	-
	Total	17,727,968	16,319,806
Accumulated Depreciation			
As at 1 April 2023		9,479,594	6,918,554
Charge		3,776,613	2,561,040
Charge from retirement obligation		-	-
Transferable and reclassification		-	-
Decrease		-	-
	Total	13,256,207	9,479,594
Net Block		4,471,761	6,840,212

SITA World Travel (Nepal) Pvt Ltd

		As at 31 March 2024 Rs	As at 31 March 2023 Rs
Schedule 5 : Investments			
Fixed deposit with NMB Bank Ltd.		15,000,000	15,000,000
Fixed deposit with Nepal SBI Bank Ltd. - NPR		-	46,748,000
Fixed deposit with Nepal SBI Bank Ltd. - USD		-	
	Total	**15,000,000**	**61,748,000**
Schedule 6 : Sundry Debtors			
A) Debts outstanding over six months			
- considered good.		668,775	10,991,706
- considered doubtful			
B) Other debts			
- considered good		95,040,815	97,342,977
		95,709,590	108,334,683
Less: Provision for doubtful debts			
	Total	**95,709,590**	**108,334,683**
Schedule 7 : Cash and Bank Balances			
Cash in Hand		412,319	220,889
Bank Balances			
Current account balances		11,881,713	5,990,885
Foreign currency account balance		16,638,664	31,728,636
	Total	**28,932,697**	**37,940,409**
Schedule 8 : Loans and advances			
Advance for expenses		5,550,124	2,396,803
Advance corporate tax		137,237,891	133,465,718
Deposit against income tax appeal		82,097,519	82,097,519
Deposits (receivables)		1,466,186	1,449,686
VAT receivables		(7,857,837)	(5,036,659)
Prepaid expenses		6,568,342	5,344,301
Accrued Interest on Fixed Deposit		171,062	-
		225,233,287	219,717,369

S.A.R. Associates * Chartered Accountants *

SITA World Travel (Nepal) Pvt Ltd

	As at 31 March 2024 Rs	As at 31 March 2023 Rs
Schedule 9 : Current Liabilities		
Received from client in advance	21,303,379	33,617,738
Sundry creditors	5,966,941	2,310,981
TDS payable	1,294,497	1,146,312
Providend Fund payable	202,548	-
Dividend payable	109,355	109,355
Other liabilities	71,388,900	79,743,983
Total	**100,265,620**	**116,928,369**

Schedule 10 : Provisions

Provision for gratuity	215,240	6,123,200
Provision for leave encashment	1,617,969	1,070,818
Provision for income tax	149,710,176	136,088,090
Total	**151,543,385**	**143,282,108**

Schedule 11 : Deferred Tax Assets

Arising on account of temporary difference in Retirement Benefits	458,302	1,683,270
Depreciation	2,073,194	801,893
Total	**2,531,497**	**2,485,163**

A.R. Associates Chartered Accountants

SITA World Travel (Nepal) Pvt Ltd

			Current year Rs		Previous year Rs
Schedule 12 : Sales and Services (Net of cost)					
A.	**Tours Income**		68,075,401		41,106,877
	Tours Income	346,271,201		214,916,093	
	Less: Cost of tours	(278,195,800)		(173,809,216)	
B.	**Coach Income**		5,099,792		3,395,867
	Coach Income	14,479,575		8,761,451	
	Less. Coach expenses	(9,379,783)		(5,365,584)	
	Total		**73,175,193**		**44,502,744**

Schedule 13 : Other income

	Current year Rs	Previous year Rs
Interest on fixed deposit	781,050	5,192,943
Miscellaneous income	1,443,649	35,828
Creditors written back (Provsion for tour)	11,867,188	31,038
Income from Retirement Benefit Deposit	-	-
Profit on sale of assets	6,686,572	442
Total	**20,778,459**	**5,260,251**

Schedule 14 : Personnel Expenses

	Current year Rs	Previous year Rs
Salary & wages	19,111,798	16,320,534
Contribution to Provident Fund	1,053,706	904,333
Retirement benefit Expenses	831,240	751,913
Medical expenses	751,217	602,961
Staff uniform exp	-	-
Staff Bonus	1,083,905	-
Staff welfare expenses	1,099,007	374,858
Total	**23,930,873**	**18,954,599**

SITA World Travel (Nepal) Pvt Ltd

	Current year Rs	Previous year Rs
Schedule 15 : Administrative and selling expenses		
Advertisement, publicity & sales promotion	84,900	309,597
Operational lease rentals	410,887	(36,100)
Communication	2,118,748	1,392,631
Travelling and conveyance	179,903	28,000
Bank charges	621,201	888,591
Legal and consultancy fees	638,137	3,896,384
Repairs and maintenance	410,592	138,453
Electricity and water	376,611	285,124
Printing and stationery	195,313	202,936
Entertainment	-	-
Security expenses	836,600	786,700
Insurance	435,679	220,413
Membership and subscription fees	65,115	60,985
Tax Audit Fee	190,025	190,025
Prior Year Expenses	-	-
Group audit fee	200,000	153,000
Audit expenses	23,540	-
CSR expenses	108,391	-
Miscellaneous expenses	1,395,332	208,913
	8,290,974	**8,725,652**

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A.R. Associates Chartered Accountants

SITA World Travel (Nepal) Pvt Ltd

	As at 31 March 2024 Rs	As at 31 March 2023 Rs
Schedule 16 : Lease Liabilities		
Office Building	3,848,900	6,742,285
	3,848,900	6,742,285

Schedule 17 : Contingent liabilities

VAT matter FY 2069-70	23,857,699	23,857,699
VAT matter FY 2067-68 to FY 2071-72 Mangsir (except FY 2069-70)	82,425,607	82,425,607
Income Tax Matter FY 2071-72	1,050,092	1,050,092
VAT Matter FY 2071-72	2,756,622	2,756,622.00
Income Tax Matter FY 2072-73	178,843,382	179,403,531.00
VAT Matter FY 2072-73	5,185,464	5,185,464.00
VAT Matter FY 2074-75	534,392	-
Income Tax Matter Matter FY 2074-75	4,368,604	-
Unexpired Bank Gurantee	1,350,000	350,000
Total	300,371,862	295,029,015

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SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

A. Company Background

SITA World Travel (Nepal) Pvt. Ltd, a joint venture company with Travel Corporation India Ltd. (then SOTC Travel Services Pvt. Ltd), is incorporated under the Company Act, 2063 in Nepal and providing travel and tour related services and money transfer services. Registered Office of the company is Jwagal-10, Lalitpur, Nepal.

Travel Corporation India Ltd. (then SOTC Travel Services Pvt. Ltd), a company incorporated under the laws of India, is holding 63.32% equity of the company.

B. Basis of Preparation of Financial Statements

1. Purpose of Financial Statements
These are special purpose financial statements which have been prepared for the purpose of inclusion in the consolidated financial statements of Travel Corporation India Ltd. (TCI). The financial statements have been prepared using an accounting framework applicable for the group consolidation purpose as set out in Note B.3.

2. Statement of Compliance
The financial statements as on 31st March 2024 and for the year then ended have been prepared in accordance with applicable General Accepted Accounting Principles (GAAP) and Nepal Accounting Standards as issued by Institute of Chartered Accountants of Nepal (ICAN), as applicable.

3. Basis of Preparation
The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements are presented in functional and presentation currency of the company i.e. Nepalese Rupee ("NPR") which is the currency of the primary economic environment in which the company operates.

C. Significant Accounting Policies

4. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of Value Added Taxes. The following specific criteria are used for recognition of revenue.

- **Sale of Services**

Sales from inbound services are recognized on the date of arrival of the tour in Nepal. Sales are stated net of Value Added Tax (VAT). Commission income and other travel services such as optional tours are recognized at the time of providing the service.

Interest on investment is recognized on accrual basis.

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5. Use of Estimates

The preparation of the financial statements in conformity with GAAP and NAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet. Actual amount could differ from those estimates. Any differences from those estimates are recorded in the period in which they are identified.

6. Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the supply of services or for administrative purposes and are expected to use during more than one financial year.
Cost of an item of property, plant and equipment is recognized as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The cost of an item of property, plant and equipment comprises of purchase price and any costs that is directly attributable to bring the asset to the location and condition that is necessary for it to be capable for operating in the manner intended by the management.

Any subsequent cost incurred for the property, plant and equipment is recognized as an asset if it meets the recognition criteria. The cost that does not qualify as an asset is charged off in the Income Statement as repair and maintenance.

The carrying amount of an asset is derecognized at the time of disposal or when no future economic benefits are expected to flow from its use or disposal. The gain or losses arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

The carrying amount of the property, plant and equipment is the amount at which an asset is recognized after deducting any accumulated depreciation.

7. Depreciation and Amortization

i. PPE are depreciated on a straight-line basis, based on the following estimates of their useful economic lives:

Description of Assets	Useful life (In Years)	Rate %
Furniture and Fixtures	5	20
Office Equipment	3	33.33
Vehicle	5	20
Computer and Computer Software	3	33.33

ii. Leasehold assets are amortized uniformly over the period of 3 years.
iii. Depreciation on addition of assets is charged from the next month from the date on which the assets are purchased / capitalized.
iv. Gains or losses arising from the disposal of fixed assets, if any, are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized or charged off in the Income Statement on the date of the disposal.
v. Each asset with a cost value of less than NPR 8,000 is fully depreciated in the year of purchase.

8. Retirement Benefits

a. Provident Fund

Contributions to provident fund are made monthly at the applicable rates, which is charged to revenue. Contributions to provident fund together with the employees' contributions are deposited with Citizen Investment Trust.

b. Gratuity

Gratuity payable to employees on termination/retirement of their services is provided on accrual basis and is deposited with Citizen Investment Trust.

c. Leave Encashment

Leave Encashment payable to employees on termination/retirement of their services is provided on accrual basis and is deposited with Citizen Investment Trust.

9. Trade and Other Receivables

Trade Receivables are stated at book value after making provisions for bad and doubtful debts.

Other receivables and dues from related parties are stated at book value less provisions for bad and doubtful debts.

10. Cash and Cash Equivalents

Cash and cash equivalent represent cash in hand and balance with commercial banks.

11. Foreign Currency Transactions

Foreign exchange transactions are recorded at the exchange rate prevailing at the date of transactions. Gain or loss arising on settlement is realized or charged in the Income Statement. Assets and liabilities in foreign currencies are reinstated at the exchange rate prevailing at the year-end and the exchange difference, if any, arising on such transaction is accounted for in the Income Statement as exchange fluctuation.

12. Technical Service Fee

Technical fee payable to Travel Corporation India Ltd. India calculated at Arm's length percentage to be as per the benchmarked analysis (currently estimated at 5%) of the gross total receipts of Transferee on account of services (excluding the entrance fees, special permits, visa fee, park fee, airfare and services provided in Bhutan and Tibet) provided by the Transferee, whether directly or indirectly, to the incoming tourists whether individually or in groups since 1st January 2006 onwards.

13. Income Taxes

Provision for current tax is made with reference to profit for the Financial Year based on the provisions of Income Tax Act, 2058.

Deferred Tax is recognized and provided for on timing differences between taxable income and accounting income subject to consideration of prudence.

Deferred tax assets are not recognized unless there is virtual/reasonable certainty that there will be sufficient future taxable income available to realize such assets.

S.A.R. Associates * Chartered Accountants

D. Notes to the Financial Statements

1. Contingent Liabilities *(With reference to Schedule 17)*

There are contingent liabilities in respect of:

In NPR

S.N.	Particulars	31 March 2023	31 March 2022
1	VAT matter FY 2069-70	23,857,699	23,857,699
2	VAT matter FY 2067-68 to FY 2071-72 Mangsir (except FY 2069-70)	82,425,607	82,425,607
3	Income Tax Matter FY 2071-72	1,050,092	1,050,092
4	VAT Matter FY 2071-72	2,756,622	2,756,622
5	Income Tax Matter FY 2072-73	178,843,328	179,403,531
6	VAT Matter FY 2072-73	5,185,464	5,185,464
7	VAT Matter FY 2074-75	534,392	-
8	Income Tax Matter Matter FY 2074-75	4,368,604	-
9	Unexpired Bank Guarantee	1,350,000	350,000
	Total	300,371,862	295,029,015

2. Related Party

The parent company, Travel Corporation India Ltd. together with its subsidiaries holds 63.32% (previous year 63.32%) of the share capital of the Company.

- **Transaction with related party**

Particulars	Current year (NPR)	Previous year (NPR)
Sales during the period	181,948,221.04	75,456,851.83
Technical fee during the period	5,039,311.25	5,363,546.49
Receivables as on 31 March 24	58,110,230.86	74,611,306.39
Payables as on 31 March 2024 (Other than technical fee payable)	Nil	Nil

3. Provision for Taxation

Current Tax
Current tax has been provided for in the books as per the provisions of Income Tax Act 2058 and Rules thereon prevailing as on the year end.

Deferred Tax
Deferred tax is calculated on temporary differences between the book values of financial assets / liabilities and tax bases of assets/liabilities using an effective tax rate of 25.00%.

Associates Chartered Accountants

The items attributable to deferred tax assets and liabilities and their movement are as follows:

Particulars	Amount (NPR)
Fixed Assets	2,073,194.11
Retirement Fund	458,302.25
DTA as on March end 2023	2,531,496.36
DTA as on March end 2024	4,819,774.50
Movement During the Year	(2,288,278.14)

4. Disclosure for Leases

Lease has been presented recognizing the Right of Use asset for the lease rental for the office building considering 7% interest rate as the normal increment rate for the purpose effective from 1st April 2019 and related lease liability has been recognized accordingly.

5. Rounding Off

Figures in the Financial Statements are rounded off to the nearest rupee.

S.A.P. Associates
Chartered Accountants

B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Sterling Holidays (Ooty) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling Holidays (Ooty) Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 31 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 36 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 36 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting softwares from third party service provider for maintaining its books of account. In the absence of reporting on compliance with the audit trail requirements in the independent auditor's report in relation to controls at service organisation for such accounting software, we are unable to comment whether audit trail feature of the said softwares was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid / provided for any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Satish Vaidyanathan

Partner

Membership No.: 217042

ICAI UDIN:24217042BKGSOA8387

Place: Chennai

Date: 14 May 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise and Sales tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Value Added Tax, Income-Tax or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Value Added Tax, Income-Tax or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Value Added Tax, Income-Tax, Luxury tax or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Luxury tax Act	Luxury tax	3,130.20	FY 1998-99 to 2017-18	Madras High Court
The Income tax Act, 1961	Income tax	2.03	AY 2018-19	Commissioner of Income Tax (Appeals)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act). The Company has not raised loans during the year. Accordingly, clause

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2024 *(Continued)*

3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2024 *(Continued)*

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
ICAI UDIN:24217042BKGSOA8387

Place: Chennai
Date: 14 May 2024

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sterling Holidays (Ooty) Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holidays (Ooty) Limited for the year ended 31 March 2024 *(Continued)*

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Satish Vaidyanathan

Partner

Membership No.: 217042

ICAI UDIN:24217042BKGSOA8387

Place: Chennai

Date: 14 May 2024

Sterling Holidays (Ooty) Limited
Balance Sheet as at March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, Plant and Equipment	3	58.55	36.72
Financial assets			
Other financial assets	4	20.10	19.64
Other tax assets (net)	5	50.29	50.29
Deferred tax assets	13	0.25	0.12
Other non-current assets	9(b)	7.54	-
Total non-current assets		**136.73**	**106.77**
Current assets			
Inventories	6	18.27	21.95
Financial assets			
i. Trade receivables	7	790.93	25.79
ii. Cash and cash equivalents	8	35.95	24.04
iii. Other financial assets	4	6.37	0.97
Other current assets	9(a)	64.08	182.21
Total current assets		**915.60**	**254.96**
Total assets		**1,052.33**	**361.73**
Equity and liabilities			
Equity			
Equity share capital	10	5.00	5.00
Other equity			
Reserves and surplus	11	693.35	(6.62)
Total equity		**698.35**	**(1.62)**
Liabilities			
Current liabilities			
Financial liabilities			
i. Borrowings	12	-	0.19
ii. Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and	14	1.36	9.80
b) total outstanding dues of creditors other than micro enterprises and small enterprises	14	148.90	139.58
iii. Other financial liabilities	15	19.44	18.54
Current tax liabilities	16	67.34	111.72
Other current liabilities	17	116.94	83.52
Total current liabilities		**353.98**	**363.35**
Total liabilities		**353.98**	**363.35**
Total equity and liabilities		**1,052.33**	**361.73**
Material accounting policies	1.3		

The notes referred to above form an integral part of the financial statements.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

Ramesh Shanmugam
Director
DIN No.: 06646158
Place: Chennai
Date: May 6, 2024

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date: May 6, 2024

Sterling Holidays (Ooty) Limited
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	18	2,987.56	2,687.06
Other income	19	194.88	249.94
Total income		**3,182.44**	**2,937.00**
Expenses			
Cost of materials consumed	20	272.30	196.45
Employee benefits expense	21	44.82	71.77
Finance costs	22	43.87	61.49
Depreciation and amortisation expense	23	8.26	3.22
Other expenses	24	1,877.35	1,784.19
Total expenses		**2,246.60**	**2,117.12**
Profit before tax		**935.84**	**819.88**
Tax expense			
Current tax	25	236.00	111.84
Deferred tax	25	(0.13)	100.04
Total tax expense		**235.87**	**211.88**
Profit for the year		**699.97**	**608.00**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit (asset)/liability		-	-
Income tax relating to this item		-	-
Other comprehensive (loss)/income for the year, net of income tax		-	-
Total comprehensive Income/ (loss) for the year		**699.97**	**608.00**
Earnings per share (Face value of INR 10 each)			
Basic and diluted earnings per share (INR)		1,399.94	1,216.00
Material accounting policies	1.3		

The notes referred to above form an integral part of the financial statements.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

Ramesh Shanmugam
Director
DIN No.: 06646158
Place: Chennai
Date: May 6, 2024

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date: May 6, 2024

Sterling Holidays (Ooty) Limited
Statement of changes in equity for the year ended March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2022		5.00
Changes in equity share capital during the year	10	-
Balance as at March 31, 2023		**5.00**
Changes in equity share capital during the year	10	-
Balance as at March 31, 2024		**5.00**

II) Other equity

	Note	Reserves and surplus		
		Retained earnings	**Contribution from holding company**	**Total Equity**
Balance as at April 1, 2022		**(683.20)**	**68.58**	**(614.62)**
Profit for the year	11	608.00	-	**608.00**
Other comprehensive income for the year	11	-	-	-
Balance as at March 31, 2023		**(75.20)**	**68.58**	**(6.62)**
Profit for the year	11	699.97	-	**699.97**
Other comprehensive income for the year	11	-	-	-
Balance as at March 31, 2024		**624.77**	**68.58**	**693.35**

Material accounting policies 1.3

The notes referred to above form an integral part of the financial statements.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

Ramesh Shanmugam
Director
DIN No.: 06646158
Place: Chennai
Date: May 6, 2024

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date: May 6, 2024

Sterling Holidays (Ooty) Limited
Statement of Cash flows for the year ended March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities			
Profit before tax		935.84	819.88
Adjustments for:			
Depreciation and amortisation	23	8.26	3.22
Finance costs	22	20.13	61.49
Interest income	19	(2.83)	-
Working capital adjustments:			
(Increase)/Decrease in trade receivables		(765.14)	3.51
(Increase)/Decrease in inventories		3.68	(7.63)
(Increase)/Decrease in other financial assets		(4.94)	(8.85)
(Increase)/Decrease in other assets		110.59	(133.11)
Increase in trade payables		0.88	48.19
Increase/(Decrease) in other liabilities		33.42	(7.77)
(Decrease) in employee benefit obligations		-	(19.10)
(Decrease) in other financial liabilities		(0.80)	(0.28)
Cash from operating activities		**339.09**	**759.55**
Income taxes paid		(279.60)	(29.17)
Net cash from operating activities		**59.49**	**730.38**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(30.09)	(17.39)
Investment in fixed deposits		-	-
Interest received		2.83	-
Net cash used in investing activities		**(27.26)**	**(17.39)**
Cash flows from financing activities			
Interest paid		(20.13)	(67.16)
Repayment of borrowings		(0.19)	(624.14)
Net cash used in financing activities		**(20.32)**	**(691.30)**
Net increase in cash and cash equivalents		11.91	21.69
Cash and cash equivalents at the beginning of the year		24.04	2.35
Cash and cash equivalents at end of the year (Refer note 8)	8	**35.95**	**24.04**
Material accounting policies	1.3		

The notes referred to above form an integral part of the financial statements.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018644)

Ramesh Shanmugam
Director
DIN No.: 06646158
Place: Chennai
Date: May 6, 2024

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date: May 6, 2024

1.1. Reporting entity

Sterling Holiday (Ooty) Limited (the "Company") is engaged in providing resort operations and maintenance services [being leisure hospitality services]. The Company's registered office is at Purva Primus, 4th Floor, 236, Okkiyampettai, Old Mahabalipuram Road, Thoraipakkam, Chennai - 600097. Sterling Holiday Resorts Limited ('Parent company') holds 98% of the share capital. The ultimate holding company is Fairfax Financial Holdings Limited, Canada.

1.2. Basis of preparation

1.2.1. Statement of compliance

Basis of measurement

These financial statements have been prepared under the historical cost basis except for the following items:

Items basis	Measurement
Certain financial assets and liabilities	Fair value

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for 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 Company considers 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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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Sterling Holidays (Ooty) Ltd. Chennai

Material accounting policies (continued)

Going Concern

During the year Company has earned profit before tax of INR 935.84 (March 31, 2023 INR 819.88). The Company has considered various internal and external sources of information, up to the date of approval of the financial statements, in determining the potential impact on the financial position and business operations of the Company.

Based on the continued profitability, approved cash flow projections for the next 12 months, availability of assets (land, buildings, trade receivables etc.) for securitization/monetization for additional funds, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these financial statements are prepared on a going concern basis.

1.2.2. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian Rupees (INR) which is the Company's functional and presentation currency. All amounts have been presented in lakhs of Indian Rupees (INR), unless otherwise stated.

1.2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chairman – Whole Time Director (WTD) of the Company has been identified as the chief operating decision maker of the Company who assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 32 for segment information presented.

1.2.4. Current / Non-current classification

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.2.5. Changes in Material Accounting policies

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. The amendments did not result in any significant changes in the accounting policies disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

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Sterling Holidays (Ooty) Ltd. Chennai

Material accounting policies (continued):

1.3.1. Revenue recognition

The Company's business is to provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Under Ind AS 115 an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognizing revenues when or as the performance obligations are satisfied.

Income from resort operations and maintenance services (being leisure hospitality services) comprising of sale of food and beverages, room rentals and other services are recognised when these are sold and when services are rendered.

Contract balances

(i) Contract assets
A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company renders services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration has received consideration, or for which an amount of consideration is due from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

1.3.2. Income taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax for the period comprises of current tax and deferred tax. Income tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised in 'Other comprehensive income or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

(a) Current Tax:
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustments to tax payable in respect of previous years. Interest income/ expenses and penalties, if any related to income tax are included in current tax expense.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Company offsets the current tax assets as against the liability for provision for tax.

Material accounting policy (continued)

(b) Deferred Tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss and does not give rise to equal deductible and taxable temporary differences at the time of the transaction. Deferred tax assets are recognised 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 utilised. Deferred taxes on items classified under Other comprehensive income ('OCI') has been recognised in OCI.

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 utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.3.3. Impairment of assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are Company at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's of assets (cash-generating units or CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the statement of profit and loss and is not reversed in the subsequent period.

1.3.4. Inventories

Inventories comprising of provisions, perishables, beverages and operating supplies are stated at lower of cost and net realizable value. Cost is determined using the Weighted average method. The cost comprises of purchase price, non-refundable taxes and delivery handling cost incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down for slow moving/ non-moving items, wherever necessary.

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Material accounting policies (continued)

1.3.5. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

1.3.6. Property, Plant and Equipment

Recognition and measurement

The Company adopts the cost measurement approach for property, plant and equipment other than freehold and leasehold land.

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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:
Based on technical evaluation carried out, depreciation on property, plant and equipment is provided, on a pro-rata basis, on Straight Line Method (SLM) over the estimated useful lives of the assets, which equates to the useful lives prescribed under Schedule II to the Companies Act, 2013, as follows:

Asset class	Useful life as per Companies act	Useful life as per management
Buildings	60	30- 60
Plant and machinery	15	15
Furniture and fixtures – general	10	10
Furniture and fixtures – others	8	8
Office equipment	5	5
Computer equipment – Servers & Network	6	6
Computer equipment – Desktop, laptop and end-user items	3	3
Electrical installations	10	10
Vehicles	8	8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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Material accounting policy (continued)

1.3.7. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

1.3.8. 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 (other than financial assets and financial liabilities at fair value through profit or loss) 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 statement of profit and loss.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/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 instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

1.3.9. Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Company.

(d) a contract that will or may be settled in the Company's own equity instruments and is:

- a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

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 subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

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STERLING HOLIDAYS (OOTY) LTD. ★ CHENNAI

Material accounting policy (continued)

I. Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

a. Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b. Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

II. Measurement of financial asset:

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i. Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

iii. Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

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Material accounting policy (continued)

B. Equity instruments:

The Company subsequently measures all equity investments other than investment in subsidiaries and associates, at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

III. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

IV. De-recognition of financial assets:

A financial asset is derecognised only when

i. The Company has transferred the rights to receive cash flows from the financial asset or
ii. retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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Material accounting policy (continued)

1.3.10. Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company; or

(b) a contract that will or may be settled in the Company's own equity instruments and is:

- a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

I. Measurement of financial liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

II. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

1.3.11. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

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Material accounting policy (continued)

1.3.12. Provisions (other than for employee benefits)

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

1.3.13. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year (refer Note 36).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2A. Critical estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving critical judgements:

Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 1.3.6- Estimation of useful lives of property, plant and equipment and intangible assets

Note 26- determine the fair value of financial assets or liability based on unobservable inputs

Note 13 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

2B. Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amount for the year ended March 31, 2023:

Asset description	Plant and machinery	Furniture and fixtures	Office equipment	Electrical installations	Computer equipment	Total
I. Gross Block						
Balance as at April 1, 2022	12.02	4.16	0.79	13.96	0.84	31.77
Additions	10.88	2.58	0.09	2.74	1.10	17.39
Disposals	-	-	-	-	-	-
Balance as at March 31, 2023	**22.90**	**6.74**	**0.88**	**16.70**	**1.94**	**49.16**
II. Accumulated depreciation						
Balance as at April 1, 2022	3.55	1.88	0.73	2.57	0.49	9.22
Depreciation for the year	0.92	0.37	0.01	1.48	0.44	3.22
Disposals	-	-	-	-	-	-
Balance as at March 31, 2023	**4.47**	**2.25**	**0.74**	**4.05**	**0.93**	**12.44**
Net block (I-II)						
Balance as at March 31, 2023	18.43	4.49	0.14	12.65	1.01	36.72
Balance as at March 31, 2022	8.47	2.28	0.06	11.39	0.35	22.55

Reconciliation of carrying amount for the period ended March 31, 2024

Asset description	Plant and machinery	Furniture and fixtures	Office equipment	Electrical installations	Computer equipment	Total
I. Gross Block						
Balance as at April 1, 2023	22.90	6.74	0.88	16.70	1.94	49.16
Additions	2.90	20.58	-	6.61	-	30.09
Disposals	-	-	-	-	-	-
Balance as at March 31, 2024	**25.80**	**27.32**	**0.88**	**23.31**	**1.94**	**79.25**
II. Accumulated depreciation						
Balance as at April 1, 2023	4.47	2.25	0.74	4.05	0.93	12.44
Depreciation for the year	1.95	3.58	0.02	2.22	0.49	8.26
Disposals	-	-	-	-	-	-
Balance as at March 31, 2024	**6.42**	**5.83**	**0.76**	**6.27**	**1.42**	**20.70**
Net block (I-II)						
Balance as at March 31, 2024	19.38	21.49	0.12	17.04	0.52	58.55
Balance as at March 31, 2023	18.43	4.49	0.14	12.65	1.01	36.72

(All amounts in lakhs of Indian rupees, unless otherwise stated)

		As at March 31, 2024		As at March 31, 2023	
4	**Other financial assets**	**Current**	**Non current**	**Current**	**Non current**
	Security deposits	4.75	20.10	-	19.64
	Other receivables	1.62	-	0.97	-
	Total	**6.37**	**20.10**	**0.97**	**19.64**

		As at March 31, 2024	As at March 31, 2023
5	**Other tax assets**		
	TDS receivable	50.29	50.29
	Total	**50.29**	**50.29**
6	**Inventories**		
	Food and beverages	12.73	3.57
	Operating supplies	5.54	18.38
	Total	**18.27**	**21.95**
7	**Trade receivables**		
	Current - Unsecured		
	Considered good	790.93	25.79
	Considered doubtful	-	-
		790.93	**25.79**
	Less: Loss allowance	-	-
	Total	**790.93**	**25.79**
	Of the above, trade receivables from related parties are as below		
	Total trade receivables from related parties (Refer Note 30)	722.29	0.26
	Loss allowance	-	-
	Net trade receivables from related parties	**722.29**	**0.26**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 30

As at March 31, 2024

			Outstanding for following periods from due date of payment					
	Unbilled	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables								
Considered good	17.24	-	580.22	193.47	-	-	-	790.93
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
	17.24	-	**580.22**	**193.47**	-	-	-	**790.93**

As at March 31, 2023

			Outstanding for following periods from due date of payment					
	Unbilled	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables								
Considered good	25.11	-	0.68	-	-	-	-	**25.79**
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
	25.11	-	**0.68**	-	-	-	-	**25.79**

		As at March 31, 2024	As at March 31, 2023
8	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	34.71	20.45
	Cash on hand	1.24	3.59
	Total	**35.95**	**24.04**
9(a)	**Other current assets**		
	Prepaid expenses	7.17	9.06
	Advances to suppliers	56.91	7.01
	Advance towards management and brand fees	-	160.23
	Balances with statutory authorities	-	5.91
	Total	**64.08**	**182.21**
9(b)	**Other non current assets**		
	Prepaid expenses	7.54	-
		7.54	-

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STERLING HOLIDAYS (OOTY) LTD. CHENNAI

10 Equity share capital

Authorised equity share capital

Authorised	**March 31, 2024**	**March 31, 2023**
0.5 lakhs (March 31, 2023: 0.5 lakhs) equity shares of INR 10 each	5.00	5.00
Issued, subscribed and paid-up		
0.5 lakhs (March 31, 2023: 0.5 lakhs) equity shares of INR 10 each	5.00	5.00
As at March 31, 2024	**5.00**	**5.00**

Reconciliation of shares outstanding at the beginning and at the end of the year

	March 31, 2024		**March 31, 2023**	
	Number *in lakhs*	**Amount** *in lakhs*	**Number** *in lakhs*	**Amount** *in lakhs*
Equity shares				
At the commencement of the year	0.50	5.00	0.50	5.00
Shares issued during the year	-	-	-	-
At the end of the year	**0.50**	**5.00**	**0.50**	**5.00**

All issued shares are fully paid up.

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held.

Shares held by holding/ultimate holding company (i.e., parent of the Group) and/or their subsidiaries/associates

	March 31, 2024		**March 31, 2023**	
	Number *in lakhs*	**Amount** *in lakhs*	**Number** *in lakhs*	**Amount** *in lakhs*
Equity shares of INR 10 each held by the Holding Company	0.49	4.90	0.49	4.90

Particulars of shareholders holding more than 5% shares of a class of shares

	March 31, 2024		**March 31, 2023**	
	Number *in lakhs*	**% of total shares in class**	**Number** *in lakhs*	**% of total shares in class**
Equity shares of INR 10 each held by				
Sterling Holiday Resorts Limited (Holding Company)	0.49	98%	0.49	98%

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
11 Reserves and surplus		
Retained earnings	624.77	(75.20)
Total	**624.77**	**(75.20)**

Movement in reserves and surplus balances is as follows :

a) Retained earnings

Opening balance	(75.20)	(683.20)
(Loss) / Profit for the year	699.97	608.00
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation	-	-
Closing balance	**624.77**	**(75.20)**

b) Contribution from holding company	As at March 31, 2024	As at March 31, 2023
Opening balance	68.58	68.58
Additions during the year	-	-
Closing balance	**68.58**	**68.58**

The loan received from holding company has been measured at fair value by discounting the expected future cashflows at a discount rate based on the risk and other factors applicable to the Company's cashflows. The difference between the carrying value and the fair value has been considered as capital contribution by the holding company considering the substance of the transaction.

Retained earnings
Retained earnings represents the amount of accumulated earnings of the Company

12 Current borrowings

Interest accrued but not due on borrowings	-	0.19
Total	-	**0.19**

13 Deferred tax assets

	As at March 31, 2024	As at March 31, 2023
a) Tax effect of items constituting deferred tax assets:		
Property, plant and equipment	0.25	(0.76)
Others	-	0.88
Total deferred tax assets	**0.25**	**0.12**
Deferred tax asset as per the balance sheet	0.25	0.12

b) Movement of Deferred tax balances

Particulars	At April 1, 2023	Recognised in Profit and Loss	Recognised in OCI	DTL	DTA
	For the year ended March 31, 2024				
Movement in deferred tax balances					
Property, plant and equipment	(0.76)	1.01	-	-	0.25
Others	0.88	(0.88)	-	-	-
Tax assets / (liabilities) before set-off	**0.12**	**0.13**	-	-	**0.25**
Set-off of tax				-	-
Net tax asset / (liability)				-	**0.25**

Particulars	At April 1, 2022	Recognised in Profit and Loss	Recognised in OCI	DTL	DTA
	For the year ended March 31, 2023				
Movement in deferred tax balances					
Property, plant and equipment	0.87	(1.63)	-	(0.76)	-
Unabsorbed depreciation allowance and business loss carry forward	94.61	(94.61)	-	-	-
Provisions	4.81	(4.81)	-	-	-
Others		0.88	-	-	0.88
Total assets (liabilities) before set-off	**100.29**	**(100.17)**	-	**(0.76)**	**0.88**
Set-off of tax				0.76	(0.76)
Net tax asset / liability				-	0.12

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
14	**Trade payables**		
	Dues to micro and small enterprises (Refer Note 33)	1.36	9.80
	Dues to creditors other than micro and small enterprises	148.90	139.58
	Total	**150.26**	**149.38**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 27.

As at March 31, 2024

	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro, small and medium enterprises	-	0.23	1.13	-	-	-	1.36
Total outstanding dues of creditors other than micro, small and medium enterprises	28.31	52.74	67.85	-	-	-	148.90
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-	-
	28.31	**52.97**	**68.98**	-	-	-	**150.26**

As at March 31, 2023

	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro, small and medium enterprises	-	7.39	2.41	-	-	-	9.80
Total outstanding dues of creditors other than micro, small and medium enterprises	90.54	42.42	6.62	-	-	-	139.58
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-	-
	90.54	**49.81**	**9.03**	-	-	-	**149.38**

		As at March 31, 2024	As at March 31, 2023
15	**Other financial liabilities**		
	Security deposits	19.31	18.54
	Others	0.13	-
		19.44	**18.54**
16	**Current tax liabilities**		
	Provision for income tax	67.34	111.72
	Total	**67.34**	**111.72**
17	**Other current liabilities**		
	Contract liability - Advance received from customer	94.54	66.09
	Statutory dues payable	22.40	17.43
	Total	**116.94**	**83.52**

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

		Year ended March 31, 2024	Year ended March 31, 2023
18	**Revenue from operations**		
(a)	**Disaggregation of revenue:**		
	Income from resorts:		
	- Room rentals	2,304.16	2,018.92
	- Food and beverages	406.48	381.32
	- Others	140.51	134.98
	Other operating revenues		
	-Admission fee	110.69	127.03
	-Service charges	25.72	24.81
	Total	**2,987.56**	**2,687.06**
	On the basis of timing of transfer of goods or services		
	At a point in time	2,987.56	2,687.06
		2,987.56	**2,687.06**
(b)	**Movement in contract liabilities as per Ind AS 115 - Revenue from contracts with customers**		
	Opening balance	66.09	65.89
	Additions during the year (net)	94.54	66.09
	Income recognized during the year	(66.09)	(65.89)
	Closing balance	**94.54**	**66.09**

Contract liabilities pertain to advances received from customers which will be recognized as revenue when the service is rendered.

		Year ended March 31, 2024	Year ended March 31, 2023
19	**Other income**		
	Income from skill development training	0.64	-
	Management services income	191.13	249.53
	Scrap sales	-	0.03
	Interest income	2.83	0.38
	Miscellaneous	0.28	-
	Total	**194.88**	**249.94**
20	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year	3.57	2.34
	Add: Purchases	281.46	197.68
	Less: Inventory of materials at the end of the year	12.73	3.57
	Cost of materials consumed	**272.30**	**196.45**
21	**Employee benefits expense**		
	Salaries, wages and bonus	36.60	11.35
	Staff welfare expenses	8.22	60.42
	Total	**44.82**	**71.77**

Note - Pursuant to the resort maintanence agreement entered with Sterling Holiday Resorts Limited ('Holding Company') on April 1, 2022, payroll management will be handled by holding company and the expenses will be reimbursed to the holding Company by the Company. Compliance with respect to PF, ESI, gratuity and leave encashment are also done by the holding Company.Accordingly, during the year, the Company has recognised the charges from holding company as Management and brand fees.

		Year ended March 31, 2024	Year ended March 31, 2023
22	**Finance cost**		
	Interest and finance charges on financial liabilities measured at amortized cost	20.13	54.39
	Bank charges	23.74	7.10
	Total	**43.87**	**61.49**

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Sterling Holidays (Ooty) Limited
Notes to the financial statements for the year ended March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
23 Depreciation		
Depreciation of property, plant and equipment	8.26	3.22
Total	**8.26**	**3.22**
24 Other expenses		
Consumption of stores and spares	79.69	65.28
Power and fuel	171.93	154.28
Rent	32.53	292.71
Repairs and maintenance:		
- Building	19.39	42.35
- Plant and machinery	41.63	46.55
- Others	48.97	14.88
Insurance	-	12.57
Rates and taxes	24.99	47.83
Guest supplies	37.86	40.68
Laundry expenses	34.86	29.36
Communication	6.11	8.53
Printing & Stationery	9.65	5.40
Recruitment and training	-	5.03
Travel and tours	33.36	51.43
Legal and professional	1.46	20.59
Business support expenses	637.88	-
Management and brand fees	443.56	456.83
Payment to statutory auditors:		
- Statutory audit	4.29	3.50
Travel and conveyance	21.40	10.60
Security charges	28.35	21.75
Water charges	25.00	19.95
Sales commission	153.53	150.11
Sales promotion	12.68	1.74
Corporate social responsibility	3.00	-
Miscellaneous expenses	5.23	282.24
Total	**1,877.35**	**1,784.19**

25 Income tax expenses	Year ended March 31, 2024	Year ended March 31, 2023
a) Amount recognised in profit or loss		
Current tax		
Current tax for the year	236.00	111.84
Total	**236.00**	**111.84**
Deferred tax expense		
Recognition of previously unrecognised tax losses	-	98.54
Origination and reversal of temporary differences	(0.13)	1.50
Total	**(0.13)**	**100.04**
Total tax expense/(benefit)	**235.87**	**211.88**

b) Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:

	Year ended March 31, 2024 %	Year ended March 31, 2024 Amount	Year ended March 31, 2023 %	Year ended March 31, 2023 Amount
Profit before income tax expense		935.84		819.88
Tax expense / (income) computed at Indian Tax rate	25.17%	235.53	25.17%	206.35
Tax effect of:				
- Expenses not deductible in determining taxable profit	1.20%	11.26	0.00%	-
- Tax allowances that are deductible in determining taxable profit	-1.23%	(11.52)	0.00%	-
- Unrecognised temporary differences	0.06%	0.60	0.67%	5.53
Tax expense	**25.20%**	**235.87**	**25.84%**	**211.88**

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Sterling Holidays (Ooty) Ltd. Chennai

(All amounts in lakhs of Indian rupees, unless otherwise stated)

26 Fair value measurements

Financial instruments by category

	As at March 31, 2024			As at March 31, 2023		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Trade receivables	-	-	790.93	-	-	25.79
Cash and cash equivalents	-	-	35.95	-	-	24.04
Other financial assets	-	-	26.47	-	-	20.61
Total financial assets	**-**	**-**	**853.35**	**-**	**-**	**70.44**
Financial liabilities						
Borrowings	-	-	-	-	-	0.19
Trade payables	-	-	150.26	-	-	149.38
Other financial liabilities	-	-	19.44	-	-	18.54
Total financial liabilities	**-**	**-**	**169.70**	**-**	**-**	**168.11**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. There are no financial instruments that are measured at fair value through OCI or PL. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2024	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Liabilities					
Borrowings	12	-	-	-	-
Total financial liabilities		-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2023	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Liabilities					
Borrowings	12	-	-	0.19	0.19
Total financial liabilities		-	-	**0.19**	**0.19**

There are no transfers between levels 1 and 2 during the year.

(ii) Valuation technique used to determine fair value:
Fair value of the financial instruments is determined using discounted cash flow method. All of the resulting fair value estimates are included under level 3.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	As at March 31, 2024		As at March 31, 2023	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities				
Borrowings	-	-	0.19	0.19
Total financial liabilities	**-**	**-**	**0.19**	**0.19**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, borrowings, interest accrued other financial assets and other financial liabilities approximate their fair values, due to their short-term nature. Hence the carrying amount is considered as the fair value.

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STERLING HOLIDAYS (OOTY) LTD. CHENNAI

27 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at	Ageing analysis and credit assessment	Diversification of portfolio and Assessment of customer credit worthiness at inception and
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines. The borrowings are from the holding company and there are no fixed repayment schedule

The Company's risk management is carried out by a central treasury department under policies approved by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

(A) Credit risk

Credit risk arises from cash and cash equivalents carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed on a Company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team that assess and maintain an internal credit rating system. Internal credit rating is performed on a Company basis for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

C1 : High-quality assets, negligible credit risk
C2 : Doubtful assets, credit-impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information and the Company majorly manages the credit risk through internal credit rating system.

A default on a financial asset is when the counterparty fails to make contractual payments as and when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The Company provides for expected credit loss based on the following:

			Basis for recognition of expected credit loss provision	
Internal rating	**Category**	**Description of category**	**Trade receivables**	**Others**
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is	Life-time expected credit losses	12-month expected credit losses
C2	Doubtful assets, credit-impaired	Assets are provided for when there is no reasonable expectation of recovery. The company categorises a receivable or provisioning when the debtor fails to make the contractual payment within 180 days from the date they become due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is provided for fully	Asset is provided for fully

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company also manages its financing requirements through borrowings from the holding company which does not have any fixed repayment schedule.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.
The amounts disclosed in the table are the contractual undiscounted cash flows, including interest. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

As at March 31, 2024	**Carrying amount**	**Less than 3 months**	**Within one year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Non-derivatives						
Borrowings	-	-	-	-	-	-
Trade payables	150.26	150.26	-	-	-	150.26
Other financial liabilities	19.44	19.44	-	-	-	19.44
Total non-derivative liabilities	**169.70**	**169.70**	-	-	-	**169.70**

As at March 31, 2023	**Carrying amount**	**Less than 3 months**	**Within one year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Non-derivatives						
Borrowings	-	-	-	-	-	-
Trade payables	149.38	149.38	-	-	-	149.38
Other financial liabilities	18.54	18.54	-	-	-	18.54
Total non-derivative liabilities	**167.92**	**167.92**	-	-	-	**167.92**

28 Capital management

Risk management

The Company's objectives when managing capital are to:
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company borrows from the holding company at 9.25% per annum (March 31, 2023: 9.25% per annum) in order to meet its capital requirements. As at March 31, 2024 the net-worth of the Company has become positive. The Company has shown improvement in operating results due to increase in occupancy rate and tariffs. The Company expects higher growth and profitability in future due to increase in occupancy rates and tariffs from the property which was recently refurbished. It is also fully supported by the holding company for funding.

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

29 Related party transactions

(a) Nature of related party and related party relationship

Description of related party	Name of the related party
Ultimate Holding Company	Fairfax Financial Holdings Limited, Canada
Intermediate Holding Company	Thomas Cook (India) Limited
Holding Company	Sterling Holiday Resorts Limited
Key Managerial Personnel	M Balasubramaniyam (Resigned as Director with effect from July 26, 2022) A Muthukumaran (Appointed as Director from May 4, 2022 to July 26, 2022) Ramesh Shanmugam (Director) Vikram Dayal Lalvani (Director) L Krishna kumar (Director)

(b) Parent entities

The Company is controlled by following entity:

Name of entity	Nature of relationship	% of holding March 31, 2024	% of holding March 31, 2023
Sterling Holiday Resorts Limited	Holding company	98%	98%

(c) Transactions with related parties

Transactions with related parties are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of services		
TC Tours Limited	4.94	2.10
Travel Corporation (India) Limited (merged with Thomas Cook (India) Limited)	0.33	0.75
Lease rent expenses		
Sterling Holiday Resorts Limited	-	276.32
Brand expenses		
Sterling Holiday Resorts Limited	59.56	53.34
Rent Income		
Sterling Holiday Resorts Limited	191.13	249.53
Management fees		
Sterling Holiday Resorts Limited	384.00	403.49
Interest on borrowings		
Sterling Holiday Resorts Limited	20.13	50.39
Reimbursement expenses paid		
Sterling Holiday Resorts Limited	-	39.97
Expenses in connection with Business support service		
Sterling Holiday Resorts Limited	637.88	244.83
Services availed		
Terrier Security Services (India) Pvt Ltd	-	28.42

(d) Outstanding balances as at year end

	As at March 31, 2024	As at March 31, 2023
The following balances are outstanding at the end of the reporting period:		
Trade receivables		
Sterling Holiday Resorts Limited	721.93	-
Travel Corporation (India) Limited	0.36	0.26
Interest accured on loan		
Sterling Holiday Resorts Limited	-	0.19
Advance towards management and brand fees		
Sterling Holiday Resorts Limited	-	160.23

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
30 Corporate Social Responsibility		
(a) Gross amount required to be spent by the company during the year	3.00	-
(b) Amount approved by the board to be spent during the year	3.00	-
(c) Amount spent during the year	3.00	-
(i) Construction/acquisition of any asset	-	-
(ii) on purposes other then (i) above	3.00	-
(d) Details of related party transactions	-	-
(e) Details of unspent obligation		

31 Contingent liabilities

Claims against the Company not acknowledged as debt:

(a) Luxury tax related demands	3,130.20	3,130.20
(b) Income tax related matter	2.03	10.83

32 Sterling Holiday Resorts Limited (SHRL) holds 98% equity shares in the Company and the Company is responsible for maintaining the property Ooty Elkhill, pursuant to the property timeshare agreement with the property timeshare members. However, certain property timeshare weeks are unsold and retained by SHRL. Pursuant to the necessary approvals obtained by the Company as required under the Companies Act, 2013, the Company is permitted to rent out weeks sold to property timeshare members and unsold weeks retained by SHRL which are vacant and earn revenue from it. The property timeshare members and SHRL shall have no claim on the revenue generated by the Company. Further, pursuant to the exchange clause under property timeshare agreement, property timeshare members of the said property are also eligible to utilize facilities at SHRL's other resorts.

33 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker.

- Resort operations: This segment deals with timeshare business on account of resort business.

Geographical information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

Total revenue of the Company is generated from India and all the assets of the Company has been located in India.

Major customer

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

34 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023-24, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

		As at March 31, 2024	As at March 31, 2023
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.36	9.80
ii	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
iv	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
vii	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

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Sterling Holidays (Ooty) Limited
Notes to the financial statements for the year ended March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

35 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	2.59	0.70	269%	Increase is on account of increase in cash and bank balances, investments and repayment of borrowings as a result of improved business operations.
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	-	224.29	-100%	Company has made repayment of borrowings during the year
Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	14.17	0.97	1356%	The Company has made repayment of borrowings during the year resulting in increased debt service coverage ratio
Return on Equity ratio (in times)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	2.01	(1.99)	400%	The Company has been making profits due to which the accumulated losses of the Company has been absorbed during the year resulting in positive Return on Equity ratio
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	13.54	10.83	25%	Not applicable
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivables	7.32	97.55	-93%	The decrease in receivables turnover ratio is due to increase in receivables from the holding company as at year end
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	1.79	1.63	10%	Not applicable
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	5.32	(24.79)	-121%	The net working capital had become positive in the current year which made Net capital Turnover ratio increase.
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	23%	23%	0.80%	Not applicable
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	140%	-54405.56%	54546%	The equity became positive which made the Return on capital employed increase.

B S R & Co. LLP ★ Chartered Accountants ★

STERLING HOLIDAYS (OOTY) LTD. CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

36. Other Statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii) The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

36 Earnings per share	March 31, 2024	March 31, 2023
Profit / Loss for the year attributable to the equity holders of the Company	699.97	608.00
Weighted average number of equity shares outstanding	50,000	50,000
Basic and diluted earnings per share	**1,399.94**	**1,216.00**

37 Subsequent events

There are no significant subsequent events, that have occurred after the reporting period till the date of the signing of these standalone financial statements.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sterling Holidays (Ooty) Limited
(CIN U55102TN1989PLC018344)

Ramesh Shanmugam
Director
DIN No.: 06646158
Place: Chennai
Date: May 6, 2024

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date: May 6, 2024

Quality Checks :

	Completed
Spelling / diction / Comparison	✓
Indexing /pagination / paras	✓
Calculation / arithmetical accuracy rounding off errors	✓

Done by :

Name and Designation..SRIKRISHNAN.S.MANAGER

Signature and Date......NSK 14/5/24

Engagement Partner..SATISH VAIDYANATHAN.

Project Code....1656348

B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Sterling Holiday Resorts (Kodaikanal) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sterling Holiday Resorts (Kodaikanal) Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 30 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used accounting softwares from third party service provider for maintaining its books of account. In the absence of reporting on compliance with the audit trail requirements in the independent auditor's report in relation to controls at service organisation for such accounting software, we are unable to comment whether audit trail feature of the said softwares was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid / provided for any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Satish Vaidyanathan

Partner

Membership No.: 217042

ICAI UDIN:24217042BKGSOC1184

Place: Chennai

Date: 14 May 2024

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property held in the name of the Company. Accordingly clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2024 *(Continued)*

provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise and Sales tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Value Added Tax, Income-Tax or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Value Added Tax, Income-Tax or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Value Added Tax, Income-Tax or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount* (INR in lakhs)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu Goods and Services Tax Act, 2017	Goods and ServicesTax	111.84	FY 2017-18	Appellate Deputy Commissioner, Madurai

* Net of amounts paid under protest

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2024 *(Continued)*

defined under the Act). The Company has not raised loans during the year. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2024 *(Continued)*

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
ICAI UDIN:24217042BKGSOC1184

Place: Chennai
Date: 14 May 2024

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sterling Holiday Resorts (Kodaikanal) Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

Annexure B to the Independent Auditor's Report on the financial statements of Sterling Holiday Resorts (Kodaikanal) Limited for the year ended 31 March 2024 *(Continued)*

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Satish Vaidyanathan

Partner

Membership No.: 217042

ICAI UDIN:24217042BKGSOC1184

Place: Chennai

Date: 14 May 2024

Sterling Holiday Resorts (Kodaikanal) Limited
Balance Sheet as at March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Note	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, Plant and Equipment	3	31.34	38.45
Financial assets			
Other financial assets	4	19.08	13.57
Other tax assets	5	1.10	36.67
Deferred tax assets	13	0.64	-
Other non-current assets	9	-	15.26
Total non-current assets		**52.16**	**103.95**
Current assets			
Inventories	6	22.40	11.23
Financial assets			
i. Trade receivables	7	189.10	19.10
ii. Cash and cash equivalents	8	26.93	18.67
iii. Other financial assets	4	2.83	-
Other current assets	9	27.89	0.42
Total current assets		**269.15**	**49.42**
Total assets		**321.31**	**153.37**
Equity and liabilities			
Equity			
Equity share capital	10	5.00	5.00
Other equity			
Reserves and surplus	11	(521.01)	(979.50)
Total equity		**(516.01)**	**(974.50)**
Liabilities			
Current liabilities			
Financial liabilities			
i. Borrowings	12	605.47	966.74
ii. Trade payables			
a) total outstanding dues of micro enterprises and small enterprises; and	14	0.92	4.66
b) total outstanding dues of creditors other than micro enterprises and small enterprises	14	92.08	57.34
iii. Other financial liabilities	15	34.06	36.16
Other current liabilities	16	95.03	62.97
Current tax liabilities	17	9.76	-
Total current liabilities		**837.32**	**1,127.87**
Total liabilities		**837.32**	**1,127.87**
Total equity and liabilities		**321.31**	**153.37**
Material accounting policies	1.3		

The notes referred to above form an integral part of the financial statements.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Ramesh Shanmugam
Director
DIN No.: 06646158
Place: Chennai
Date: May 6, 2024

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date: May 6, 2024

Sterling Holiday Resorts (Kodaikanal) Limited
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	18	1,923.15	1,736.58
Other income	19	246.70	278.75
Total income		**2,169.85**	**2,015.33**
Expenses			
Cost of materials consumed	20	185.21	127.53
Employee benefits expense	21	32.61	45.58
Finance costs	22	108.28	118.90
Depreciation and amortisation expense	23	7.12	4.24
Other expenses	24	1,336.78	1,320.52
Total expenses		**1,670.00**	**1,616.77**
Profit / (Loss) before tax		**499.85**	**398.56**
Income tax expense	25		
Current tax		42.00	-
Deferred tax		(0.64)	-
Total tax expense		**41.36**	-
Profit for the year		**458.49**	**398.56**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive loss for the year, net of income tax		-	-
Total comprehensive Income/ (loss) for the year		**458.49**	**398.56**
Earnings per share (Face value of INR 10 each)			
Basic and anti-diluted earnings per share (INR)	36	916.98	797.12
Material accounting policies	1.3		

The notes referred to above form an integral part of the financial statements.

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Sterling Holiday Resorts (Kodaikanal) Limited
Statement of changes in equity for the year ended March 31, 2024
(All amounts in lakhs of Indian rupees, unless otherwise stated)

I) Equity share capital

	Note	Amount
Balance as at April 1, 2022		5.00
Changes in equity share capital during the year	10	-
Balance as at March 31, 2023		**5.00**
Changes in equity share capital during the year	10	-
Balance as at March 31, 2024		**5.00**

II) Other equity

Particulars	Note	Reserves and surplus		Total Equity
		Retained earnings	Contribution from holding company	
Balance as at April 1, 2022		**(1,489.84)**	**111.78**	**(1,378.06)**
Profit for the year	11	398.56	-	398.56
Other comprehensive income for the year	11	-	-	-
Balance as at March 31, 2023		**(1,091.28)**	**111.78**	**(979.50)**
Profit for the year	11	41.36	-	41.36
Other comprehensive income for the year	11	-	-	-
Balance as at March 31, 2024		**(1,049.92)**	**111.78**	**(938.14)**
Material accounting policies	1.3			

The notes referred to above form an integral part of the financial statements.

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Sterling Holiday Resorts (Kodaikanal) Limited
Statement of cash flows for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities			
Profit before tax		499.85	398.56
Adjustments for:			
Depreciation and amortisation	23	7.12	4.24
Finance costs	22	86.27	118.90
Interest income	19	(1.60)	-
Working capital adjustments:			
(Increase)/Decrease in trade receivables		(170.00)	2.25
(Increase) in inventories		(11.17)	(5.15)
(Increase) in other financial assets		(8.34)	(1.88)
(Increase)/Decrease in other assets		(12.21)	19.97
Increase/(Decrease) in trade payables		31.00	(8.92)
Increase/(Decrease) in other liabilities		32.05	(11.44)
(Decrease) in employee benefit obligations		-	(27.06)
(Decrease) in other financial liabilities		(2.10)	(0.52)
Cash generated from operating activities		**450.87**	**488.95**
Income taxes paid (including TDS receivable)		3.33	(30.68)
Net cash from operating activities		**454.20**	**458.27**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		-	(5.86)
Proceeds from sale of assets		-	-
Investment in fixed deposits		-	-
Interest received		1.60	-
Net cash from / (used in) investing activities		**1.60**	**(5.86)**
Cash flows from financing activities			
Interest paid		(86.27)	(78.19)
Repayment of borrowings		(361.27)	(362.25)
Net cash used in financing activities		**(447.54)**	**(440.44)**
Net increase in cash and cash equivalents		8.26	11.97
Cash and cash equivalents at the beginning of the year		18.67	6.70
Cash and cash equivalents at end of the year (Refer note 8)	8	**26.93**	**18.67**
Material accounting policies	1.3		

The notes referred to above form an integral part of the financial statements.

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Sterling Holiday Resorts (Kodaikanal) Limited
Notes to the financial statements for the year ended March 31, 2024

1.1. Reporting entity

Sterling Holiday Resorts (Kodaikanal) Limited (the "Company") is engaged in providing resort operations and maintenance services (being leisure hospitality services). The Company's registered office is at Purva Primus, 4th Floor, 236, Okkiyampettai, Old Mahabalipuram Road, Thoraipakkam, Chennai - 600097. Sterling Holiday Resorts Limited ('Parent company') holds 98% of the share capital. The ultimate holding company is Fairfax Financial Holdings Limited, Canada.

1.2. Basis of preparation

1.2.1. Statement of compliance

Basis of measurement

These financial statements have been prepared under the historical cost basis except for the following items:

Items basis	Measurement
Certain financial assets and liabilities	Fair value

All amounts have been rounded off to the nearest lakhs, unless stated otherwise.

Historical cost is generally based on the fair value of the consideration given in exchange for 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 Company considers 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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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Sterling Holiday Resorts (Kodaikanal) Ltd CHENNAI

Material accounting policies (continued)

Going Concern

The financial statements for the year ended March 31, 2024 reflect that the Company has accumulated losses of INR 632.79 lakhs (March 31, 2023: INR 1,091.28 lakhs) (which have eroded the net worth of the Company) as at the balance sheet date. During the year Company has earned profit before tax of INR 499.85 (March 31, 2023 INR 398.56). The Company has considered various internal and external sources of information, up to the date of approval of the financial statements, in determining the potential impact on the financial position and business operations of the Company.

Based on the continued profitability, approved cash flow projections for the next 12 months, availability of assets (land, buildings, trade receivables etc.) for securitization/monetization for additional funds, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. Accordingly, these financial statements are prepared on a going concern basis.

1.2.2. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates ('the functional currency'). These financial statements are presented in Indian Rupees (INR) which is the Company's functional and presentation currency. All amounts have been presented in lakhs of Indian Rupees (INR), unless otherwise stated.

1.2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chairman – Whole Time Director (WTD) of the Company has been identified as the chief operating decision maker of the Company who assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 32 for segment information presented.

1.2.4. Current / Non-current classification

Based on the nature of services / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.2.5. Changes in Material Accounting policies

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. The amendments did not result in any significant changes in the accounting policies disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

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Sterling Holiday Resorts (Kodaikanal) Ltd Chennai

Material accounting policies (continued):

1.3.1. Revenue recognition

The Company's business is to provide holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full upfront, or on a deferred payment basis.

Under Ind AS 115 an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard establishes a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognizing revenues when or as the performance obligations are satisfied.

Income from resort operations and maintenance services (being leisure hospitality services) comprising of sale of food and beverages, room rentals and other services are recognised when these are sold and when services are rendered.

Contract balances

(i) Contract assets
A contract asset is the right to consideration in exchange for services rendered to the customer. If the Company renders services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration has received consideration, or for which an amount of consideration is due from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

1.3.2. Income taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax for the period comprises of current tax and deferred tax. Income tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised in 'Other comprehensive income or directly in equity, in which case the tax is recognised in 'Other comprehensive income' or directly in equity, respectively.

(a) Current Tax:
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustments to tax payable in respect of previous years. Interest income/ expenses and penalties, if any related to income tax are included in current tax expense.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The Company offsets the current tax assets as against the liability for provision for tax.

Material accounting policy (continued)

(b) Deferred Tax

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss and does not give rise to equal deductible and taxable temporary differences at the time of the transaction. Deferred tax assets are recognised 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 utilised. Deferred taxes on items classified under Other comprehensive income ('OCI') has been recognised in OCI.

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 utilised. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.3.3. Impairment of assets

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are Company at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's of assets (cash-generating units or CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the statement of profit and loss and is not reversed in the subsequent period.

1.3.4. Inventories

Inventories comprising of provisions, perishables, beverages and operating supplies are stated at lower of cost and net realizable value. Cost is determined using the Weighted average method. The cost comprises of purchase price, non-refundable taxes and delivery handling cost incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are written down for slow moving/ non-moving items, wherever necessary.

Material accounting policies (continued)

1.3.5. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

1.3.6. Property, Plant and Equipment

Recognition and measurement

The Company adopts the cost measurement approach for property, plant and equipment other than freehold and leasehold land.

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 recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:
Based on technical evaluation carried out, depreciation on property, plant and equipment is provided, on a pro-rata basis, on Straight Line Method (SLM) over the estimated useful lives of the assets, which equates to the useful lives prescribed under Schedule II to the Companies Act, 2013, as follows:

Asset class	Useful life as per Companies act	Useful life as per management
Buildings	60	30- 60
Plant and machinery	15	15
Furniture and fixtures – general	10	10
Furniture and fixtures – others	8	8
Office equipment	5	5
Computer equipment – Servers & Network	6	6
Computer equipment – Desktop, laptop and end-user items	3	3
Electrical installations	10	10
Vehicles	8	8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

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Sterling Holiday Resorts (Kodaikanal) Ltd ★ CHENNAI

Material accounting policy (continued)

1.3.7. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

1.3.8. 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 (other than financial assets and financial liabilities at fair value through profit or loss) 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 statement of profit and loss.

Interest income from other financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/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 instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

1.3.9. Financial assets

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right:

- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the Company.

(d) a contract that will or may be settled in the Company's own equity instruments and is:

- a non-derivative for which the Company is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments.

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 subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

B S R & Co LLP Chartered Accountants

STERLING HOLIDAY RESORTS (KODAIKANAL) LTD CHENNAI

Material accounting policy (continued)

I. Classification of financial assets:

The Company classifies its financial assets in the following measurement categories:

a. Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b. Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

II. Measurement of financial asset:

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i. Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii. Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

iii. Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Material accounting policy (continued)

B. Equity instruments:

The Company subsequently measures all equity investments other than investment in subsidiaries and associates, at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

III. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

IV. De-recognition of financial assets:

A financial asset is derecognised only when

i. The Company has transferred the rights to receive cash flows from the financial asset or
ii. retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B S R & Co. LLP Chartered Accountants

Sterling Holiday Resorts (Kodaikanal) Limited Chennai

Material accounting policy (continued)

1.3.10. Financial liabilities

A financial liability is any liability that is:

(a) a contractual obligation :
- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company; or

(b) a contract that will or may be settled in the Company's own equity instruments and is:
- a non-derivative for which the Company is or may be obliged to deliver a variable number of the Company's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the Company offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Apart from the aforesaid, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the Company's own equity instruments is an equity instrument if the exercise price is fixed in any currency.

I. Measurement of financial liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included under 'Finance costs'.

II. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

1.3.11. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

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CHENNAI

Material accounting policy (continued)

1.3.12. Provisions (other than for employee benefits)

Provisions for legal claims, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

1.3.13. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year (refer Note 36).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2A. Critical estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The areas involving critical judgements:

Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 1.3.6- Estimation of useful lives of property, plant and equipment and intangible assets

Note 26- determine the fair value of financial assets or liability based on unobservable inputs

Note 13 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

2B. Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

3 Property, plant and equipment

Reconciliation of carrying amount for the year ended March 31, 2023:

Asset description	Building	Computer equipment	Plant and machinery	Office equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
I. Gross Block								
Balance as at April 1, 2022	1.31	1.08	35.88	0.32	11.28	7.87	3.34	61.08
Additions	-	-	0.89	4.21	-	-	0.76	5.86
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**1.31**	**1.08**	**36.77**	**4.53**	**11.28**	**7.87**	**4.10**	**66.94**
II. Accumulated depreciation								
Balance as at April 1, 2022	0.16	0.62	14.80	0.03	4.70	2.58	1.36	24.25
Depreciation for the year	0.03	0.11	1.86	0.64	0.03	0.46	1.11	4.24
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**0.19**	**0.73**	**16.66**	**0.67**	**4.73**	**3.04**	**2.47**	**28.49**
Net block (I-II)								
Balance as at March 31, 2023	1.12	0.35	20.11	3.86	6.55	4.83	1.63	38.45
Balance as at March 31, 2022	1.15	0.46	21.08	0.29	6.58	5.29	1.98	36.83

Reconciliation of carrying amount for the year ended March 31,2024:

Asset description	Building	Computer equipment	Plant and machinery	Office equipment	Electrical installations	Vehicles	Furniture and fixtures	Total
I. Gross Block								
Balance as at April 1, 2023	1.31	1.08	36.77	4.53	11.28	7.87	4.10	66.94
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31,2024	**1.31**	**1.08**	**36.77**	**4.53**	**11.28**	**7.87**	**4.10**	**66.94**
II. Accumulated depreciation								
Balance as at April 1, 2023	0.19	0.73	16.66	0.67	4.73	3.04	2.47	28.49
Depreciation for the year	0.02	0.12	2.68	0.03	2.20	0.58	1.48	7.11
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31,2024	**0.21**	**0.85**	**19.34**	**0.70**	**6.93**	**3.62**	**3.95**	**35.60**
Net block (I-II)								
Balance as at March 31,2024	1.10	0.23	17.43	3.83	4.35	4.25	0.15	31.34
Balance as at March 31, 2023	1.12	0.35	20.11	3.86	6.55	4.83	1.64	38.45

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

	As at March 31, 2024		As at March 31, 2023	
	Current	Non current	Current	Non current
4 Other financial assets				
Security deposits	2 83	19 08	-	13 57

	As at March 31, 2024	As at March 31, 2023
5 Other tax assets		
TDS receivable	1 10	36 67
Total	**1.10**	**36.67**
6 Inventories		
Food and beverages	15 64	2 27
Operating supplies	6 76	8 96
Total	**22.40**	**11.23**
7 Trade receivables		
Secured - Considered good	189 10	19 10
Total	**189.10**	**19.10**
Of the above, trade receivables from related parties are as below		
Total trade receivables from related parties (Refer Note 29)	154 42	-
Loss allowance	-	-
Net trade receivables from related parties	**154.42**	**-**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 29

Trade receivables ageing schedule
As at March 31,2024

	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables								
Considered good	15 88	-	29 49	143 73	-	-	-	189 10
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
	15.88	**-**	**29.49**	**143.73**	**-**	**-**	**-**	**189.10**

As at March 31, 2023

	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables								
Considered good	19 01	-	0 09	-	-	-	-	19 10
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-	-
	19.01	**-**	**0.09**	**-**	**-**	**-**	**-**	**19.10**

	As at March 31, 2024	As at March 31, 2023
8 Cash and cash equivalents		
Balances with banks	23 57	17 78
Cash on hand	3 36	0 89
Total	**26.93**	**18.67**

9 Other assets

	March 31, 2024		March 31, 2023	
	Current	Non Current	Current	Non Current
Prepaid expenses	8 97	-	-	15 26
Advances - Considered good				
Advances to suppliers	18 62	-	0 42	-
Advances to related party	0 30	-	-	-
Total	**27.89**	**-**	**0.42**	**15.26**

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Sterling Holiday Resorts (Kodaikanal) Ltd CHENNAI

10 Equity share capital

Authorised	March 31, 2024	March 31, 2023
0.50 lakhs (March 31, 2023: 0.50 lakhs) equity shares of INR 10 each	5.00	5.00
Issued, subscribed and paid-up		
0.50 lakhs (March 31, 2023: 0.50 lakhs) equity shares of INR 10 each	5.00	5.00
As at March 31, 2024	**5.00**	**5.00**

Reconciliation of shares outstanding at the beginning and at the end of the year

	March 31, 2024		March 31, 2023	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares				
At the commencement of the year	0.50	5.00	0.50	5.00
Shares issued during the year	-	-	-	-
At the end of the year	**0.50**	**5.00**	**0.50**	**5.00**

All issued shares are fully paid up.

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Company. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, in proportion to the number of equity shares held.

Shares held by holding/ultimate holding company (i.e., parent of the Group) and/or their subsidiaries/associates

	March 31, 2024		March 31, 2023	
	Number *in lakhs*	Amount *in lakhs*	Number *in lakhs*	Amount *in lakhs*
Equity shares of INR 10 each held by the Holding Company	0.49	4.90	0.49	4.90

Particulars of shareholders holding more than 5% shares of a class of shares

	March 31, 2024		March 31, 2023	
	Number *in lakhs*	% of total shares in class	Number *in lakhs*	% of total shares in class
Equity shares of INR 10 each held by				
Sterling Holiday Resorts Limited (Holding Company)	0.49	98%	0.49	98%

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD. CHENNAI

	As at March 31, 2024	As at March 31, 2023
11 Reserves and surplus		
Retained earnings	(632.79)	(1,091.28)
Total	**(632.79)**	**(1,091.28)**

Movement in reserves and surplus balances is as follows :

a) Retained earnings

Opening balance	(1,091.28)	(1,489.84)
Profit for the year	458.49	398.56
Closing balance	**(632.79)**	**(1,091.28)**

b) Capital contribution from holding company	As at March 31, 2024	As at March 31, 2023
Opening balance	111.78	111.78
Additions during the year	-	-
Closing balance	**111.78**	**111.78**

The loan received from holding company has been measured at fair value by discounting the expected future cashflows at a discount rate based on the risk and other factors applicable to the Company's cashflows. The difference between the carrying value and the fair value has been considered as capital contribution by the holding company considering the substance of the transaction.

Retained earnings
Retained earnings represents the amount of accumulated earnings of the Company.

	As at March 31, 2024	As at March 31, 2023
12 Current borrowings		
Unsecured loan from holding company	603.65	906.95
Interest accrued but not due on borrowings	1.82	59.79
Total	**605.47**	**966.74**

Unsecured loan from holding company

Unsecured loan amounting to INR 603.65 lakhs outstanding as on March 31, 2024 (March 31, 2023: INR 906.95 lakhs) from Sterling Holiday Resorts Limited (holding company) carries an interest rate of 9.25% p.a. (March 31, 2023: 9.25% p.a) and is repayable on demand.

Particulars	**March 31, 2024**	**March 31, 2023**
Current borrowings	603.65	906.95
Net debt	**603.65**	**906.95**

Particulars	**Amount**
Balance as at April 1, 2022	1,269.20
Proceeds from loans and borrowings	-
Repayment of borrowings	(362.25)
Balance as at March 31, 2023	**906.95**
Proceeds from loans and borrowings	-
Repayment of borrowings	(303.30)
Balance as at March 31,2024	**603.65**

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CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

13 Deferred tax assets and liabilities

a)	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax assets:		
Property, plant and equipment	0.64	-
Total deferred tax assets	**0.64**	-
Deferred tax assets as per the balance sheet	0.64	-

The company had recognized deferred tax asset on carried forward losses only to the extent of deferred tax liabilities during the year ended March 31, 2023. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has legally enforceable right to set off current assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. Refer note 13(c) disclosing the balance of unrecognised deferred tax assets.

b) Movement of Deferred tax balances

Particulars	For the year ended March 31, 2024				
	At April 1, 2023	Recognised in Profit and Loss	Recognised in OCI	DTL	DTA
Movement in deferred tax balances					
Property, plant and equipment	-	0.64	-	-	0.64
Unabsorbed depreciation allowance and business loss carry forward	-	-	-	-	-
Provisions	-	-	-	-	-
Total assets (liabilities) before set-off	-	**0.64**	-	-	**0.64**
Set-off of tax				-	-
Net tax asset / liability				-	**0.64**

c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxabale profit will be available which the group can use the benefits therefrom.

	As at March 31, 2024		As at March 31, 2023	
	Gross amount	Unrecognised Tax effect	Gross amount	Unrecognised Tax effect
Tax losses	-	-	348.18	87.63
Deductible temporary difference	-	-	-	-
Total	-	-	-	**87.63**

d) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows.

	March 31, 2024	Expiry date	March 31, 2023	Expiry date
Expire	-	2025- 2032	305.62	2026-2031
Never Expire	-	-	42.56	-
	-	-	**348.18**	-

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD ★ CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
14 Trade payables		
Dues to micro and small enterprises (Refer Note 33)	0 92	4 66
Dues to creditors other than micro and small enterprises	92 08	57 34
Total	**93.00**	**62.00**

Trade payables ageing schedule

As at March 31,2024

	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro, small and medium enterprises	-	0 55	0 37	-	-	-	0 92
Total outstanding dues of creditors other than micro, small and medium enterprises	32 85	35 47	23 76	-	-	-	92 08
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-	-
	32.85	**36.02**	**24.13**	-	-	-	**93.00**

As at March 31, 2023

	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro, small and medium enterprises	-	-	4 66	-	-	-	4 66
Total outstanding dues of creditors other than micro, small and medium enterprises	27 03	19 99	10 32	-	-	-	57 34
Disputed dues of micro, small and medium enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro, small and medium enterprises	-	-	-	-	-	-	-
	27.03	**19.99**	**14.98**	-	-	-	**62.00**

The Company's exposure to liquidity risks related to trade payables is disclosed in Note 29

	As at March 31, 2024	As at March 31, 2023
15 Other financial liabilities		
Current		
Security deposits	34 06	34 33
Interest payable to micro enterprises and small enterprises (Refer note 33)	-	1 83
Total	**34.06**	**36.16**
16 Other current liabilities		
Contract liability - Advance received from customer	78 05	59 48
Statutory dues payable	16 98	3 49
Total	**95.03**	**62.97**
17 Current Tax Liability		
Provision for income tax	9 76	-
Total	**9.76**	-

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
18 Revenue from operations		
(a) Disaggregation of revenue:		
Income from resorts:		
- Room rentals	1,326 12	1,111 41
- Food and beverages	321 07	298 70
- Others	108 44	135 94
Other operating revenues		
- Admission fee	146 24	171 20
- Service charges	21 28	19 33
Total	**1,923.15**	**1,736.58**
On the basis of timing of transfer of goods or services		
At a point in time	1,923 15	1,565 38
	1,923.15	**1,565.38**

(b) Movement in contract liabilities as per Ind AS 115 - Revenue from contracts with customers	Year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	59 48	54 28
Additions during the year (net)	78 05	59 48
Income recognized during the year	(59 48)	(54 28)
Closing balance	**78.05**	**59.48**

Contract liabilities pertain to advances received from customers which will be recognized as revenue when the service is rendered

19 Other income		
Management services income	244 65	278 01
Scrap sales	0 45	0 54
Interest Income	1 60	0 20
Total	**246.70**	**278.75**
20 Cost of materials consumed		
Inventory of materials at the beginning of the year	2 27	2 40
Add Purchases	198 58	127 40
Less Inventory of materials at the end of the year	15 64	2 27
Cost of materials consumed	**185.21**	**127.53**
21 Employee benefits expense		
Salaries, wages and bonus	29 82	4 12
Staff welfare expenses	2 79	41 46
Total	**32.61**	**45.58**

Note - Pursuant to the resort maintenance agreement entered with Sterling Holiday Resorts Limited ('Holding Company') on April 1, 2022, payroll management will be handled by holding company and the expenses will be reimbursed to the holding Company by the Company Compliance with respect to PF, ESI, gratuity and leave encashment are also done by the holding Company Accordingly, during the year, the Company has recognised the charges from holding company as Management and brand fees

22 Finance cost		
Interest and finance charges on financial liabilities measured at amortized cost	86 27	113 24
Bank charges	22 01	5 66
Total	**108.28**	**118.90**
23 Depreciation		
Depreciation of property, plant and equipment	7 12	4 24
Total	**7.12**	**4.24**

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD
CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
24 Other expenses		
Consumption of stores and spares	40 91	37 95
Power and fuel	127 74	115 11
Rent	13 48	232 05
Repairs and maintenance		
- Building	24 66	21 47
- Plant and machinery	22 85	40 10
- Others	23 08	11 94
Insurance	-	4 00
Rates and taxes	43 26	34 59
Guest supplies	16 58	20 27
Laundry expenses	23 03	25 05
Communication	9 15	6 68
Recruitment and training	-	0 35
Travel and tours	26 57	49 59
Legal and professional	5 19	14 11
Business support expenses	444 14	-
Management and brand fees	356 64	580 80
Payment to statutory auditors		
As Auditor		
- Statutory audit	4 62	3 50
- Reimbursement of expenses	1 58	-
Travel and conveyance	28 54	8 60
Security charges	25 28	21 54
Sales commission	89 61	83 99
Sales promotion	2 35	0 86
Printing and stationery	3 65	2 66
Miscellaneous expenses	3 87	5 31
Total	**1,336.78**	**1,320.52**

	Year ended March 31, 2024	Year ended March 31, 2023
25 Income tax expense		
a) Amount recognised in profit or loss		
Current tax		
Current tax for the year	42 00	-
Total	**42.00**	-
Deferred tax expense		
Origination and reversal of temporary differences	(0 64)	-
Total	**(0.64)**	-
Total tax expense/(benefit)	**41.36**	-

b)

Reconciliation of tax expense and the accounting profit multiplied by India's Tax Rate:	Year ended March 31, 2024 %	Year ended March 31, 2024 Amount	Year ended March 31, 2023 %	Year ended March 31, 2023 Amount
Profit before income tax expense		499 85		398 56
Tax expense / (income) computed at Indian Tax rate	25 17%	125 80	25 17%	100 30
Tax effect of				
- Expenses not deductible in determining taxable profit	1 42%	7 12	0 00%	-
- Tax allowances that are deductible in determining taxable profit	16 16%	80 76	0 00%	-
- Recognition of previously unrecognised tax losses	-17 53%	(87 63)	-26 41%	(105 26)
- Unrecognised temporary differences	-16 94%	(84 69)	1 24%	4 96
Tax expense	**8%**	**41.36**	**0.00%**	-

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

26 Fair value measurements

Financial instruments by category

	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	189.10	-	-	19.10
Cash and cash equivalents	-	-	26.93	-	-	18.67
Other financial assets	-	-	21.91	-	-	13.57
Total financial assets	-	-	**237.94**	-	-	**51.34**
Financial liabilities						
Borrowings	-	-	605.47	-	-	966.74
Trade payables	-	-	93.00	-	-	62.00
Other financial liabilities	-	-	34.06	-	-	36.16
Total financial liabilities	-	-	**732.53**	-	-	**1,064.90**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. There are no financial instruments that are measured at fair value through OCI or PL. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	12	-	-	605.47	605.47
Total financial liabilities		-	-	**605.47**	**605.47**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2023	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	12	-	-	966.74	966.74
Total financial liabilities		-	-	**966.74**	**966.74**

There are no transfers between levels 1 and 2 during the year.

(ii) Valuation technique used to determine fair value:
Fair value of the financial instruments is determined using discounted cash flow method. All of the resulting fair value estimates are included under level 3.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	As at March 31, 2024		As at March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Borrowings	605.47	605.47	966.74	966.74
Total financial liabilities	**605.47**	**605.47**	**966.74**	**966.74**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, borrowings, interest accrued other financial assets and other financial liabilities approximate their fair values, due to their short-term nature. Hence the carrying amount is considered as the fair value.

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD CHENNAI

27 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis and credit assessment	Diversification of portfolio and Assessment of customer credit worthiness at inception and through the credit period
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines. The borrowings are from the holding company and there are no fixed repayment schedule

The Company's risk management is carried out by a central treasury department under policies approved by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed on a Company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

C1 : High-quality assets, negligible credit risk
C2 : Doubtful assets, credit-impaired

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information and the company majorly manages the credit risk through internal credit rating system.

A default on a financial asset is when the counterparty fails to make contractual payments as and when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The Company provides for expected credit loss based on the following:

			Basis for recognition of expected credit loss provision	
Internal rating	**Category**	**Description of category**	**Trade receivables**	**Others**
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	Life-time expected credit losses	12-month expected credit losses
C2	Doubtful assets, credit-impaired	Assets are provided for when there is no reasonable expectation of recovery. The company categorises a receivable or provisioning when the debtor fails to make the contractual payment within 180 days from the date they become due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is provided for fully	Asset is provided for fully

The estimated gross carrying amount at default is Nil (March 2021: Nil) for deposits. Consequently there are no expected credit loss recognised for these financial assets.

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD CHENNAI

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(All amounts in lakhs of Indian rupees, unless otherwise stated)

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Company also manages its financing requirements through borrowings from the Holding Company which does not have any fixed repayment schedule.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:
a) all non-derivative financial liabilities, and
b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:	Carrying amount	Less than 3 months	Within one year	Between 1 and 2 years	Between 2 and 5 years	Total
As at March 31, 2024						
Non-derivatives						
Borrowings	605.47	605.47	-	-	-	605.47
Trade payables	93.00	93.00	-	-	-	93.00
Other financial liabilities	34.06	34.06	-	-	-	34.06
Total non-derivative liabilities	**732.53**	**732.53**	-	-	-	**732.53**
As at March 31, 2023						
Non-derivatives						
Borrowings	966.74	966.74	-	-	-	966.74
Trade payables	62.00	62.00	-	-	-	62.00
Other financial liabilities	36.16	36.16	-	-	-	36.16
Total non-derivative liabilities	**1,064.90**	**1,064.90**	-	-	-	**1,064.90**

28 Capital management

Risk management

The Company's objectives when managing capital are to:
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• maintain an optimal capital structure to reduce the cost of capital.

The Company borrows from the holding company at 9.25% per annum (March 31, 2023: 9.25% per annum) in order to meet its capital requirements. As at March 31, 2024, the net-worth of the Company has been fully eroded. The Company has shown improvement in operating results due to increase in occupancy rate and tariffs. The Company expects higher growth and profitability in future due to increase in occupancy rates and tariffs from property which was recently refurbished. It is also fully supported by the holding company for funding.

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Sterling Holiday Resorts (Kodaikanal) Ltd ★ CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

29 Related party transactions

(a) Nature of related party and related party relationship

Description of related party	Name of the related party
Ultimate Holding Company	Fairfax Financial Holdings Limited, Canada
Intermediate Holding Company	Thomas Cook (India) Limited
Holding Company	Sterling Holiday Resorts Limited
Key Managerial Personnel	M. Balasubramaniyam (Resigned as Director with effect from July 26, 2022)
	A Muthukumaran (Appointed as Director from May 4, 2022 to July 26, 2022)
	Ramesh Shanmugam (Director)
	Vikram Dayal Lalvani (Director)
	L Krishna kumar (Director)

(b) Parent entities

The Company is controlled by following entity:

Name of entity	Type of relationship	Ownership interest held by the Group	
		March 31, 2024	March 31, 2023
Fairfax Financial Holdings Limited, Canada	Ultimate Holding Company	-	-
Thomas Cook (India) Limited	Intermediate Holding Company	-	-
Sterling Holiday Resorts Limited	Holding Company	98%	98%

(c) Transactions with related parties

Transactions with related parties are as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of services		
TC Tours Limited	6.61	1.70
Lease rent expenses		
Sterling Holiday Resorts Limited	-	213.89
Brand expenses		
Sterling Holiday Resorts Limited	38.64	34.41
Rental income		
Sterling Holiday Resorts Limited	244.65	278.01
Management fees		
Sterling Holiday Resorts Limited	318.00	329.84
Interest on borrowings		
Sterling Holiday Resorts Limited	86.27	113.24
Reimbursement expenses paid		
Sterling Holiday Resorts Limited	-	68.87
Expenses in connection with Business support service		
Sterling Holiday Resorts Limited	444.14	204.55

(d) Outstanding balances as at year end

	As at March 31, 2024	As at March 31, 2023
The following balances are outstanding at the end of the reporting period:		
Trade receivables		
TC Tours Limited	0.19	-
Sterling Holiday Resorts Limited	154.23	-
Borrowings		
Sterling Holiday Resorts Limited	603.65	906.95
Interest accrued		
Sterling Holiday Resorts Limited	-	59.79

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B S R & Co. LLP Chartered Accountants

Sterling Holiday Resorts (Kodaikanal) Ltd Chennai

(All amounts in lakhs of Indian rupees, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
30	**Contingent liabilities**		
	Claims against the Company not acknowledged as debt:		
	(a) GST related demands	117.35	-

31 Sterling Holiday Resorts Limited (SHRL) holds 98% equity shares in the Company and the Company is responsible for maintaining the property Kodai By the Lake, pursuant to the property timeshare agreement with the property timeshare members. However, certain property timeshare weeks are unsold and retained by SHRL. Pursuant to the necessary approvals obtained by the Company as required under The Companies Act, 2013, the Company is permitted to rent out weeks sold to property timeshare members and unsold weeks retained by SHRL which are vacant and earn revenue from it. The property timeshare members and SHRL shall have no claim on the revenue generated by the Company. Further, pursuant to the exchange clause under property timeshare agreement, property timeshare members of the said property are also eligible to utilize facilities at SHRL's other resorts.

32 Segment information

Description of segments and principal activities
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chairman-Whole Time Director (WTD) of the Company has been identified as the chief operating decision maker of Sterling Holiday Resorts Limited who assesses the financial performance and position of the Company, and makes strategic decisions. The Company has only one reportable segment - "Leisure Hospitality and Resorts"

Geographical information
The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

Major customer
The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

33 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023-24, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

		As at March 31, 2024	As at March 31, 2023
i	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.92	4.66
ii	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	1.82
iii	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
iv	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
vii	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	1.82

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STERLING HOLIDAY RESORTS (KODAIKANAL) LTD * CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

34 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	0.32	0.04	634%	Increase is on account of increase in cash and bank balances as a result of improved business operations.
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	1.62	1.16	40%	Increase in profit has led to increase in Debt-Equity ratio
Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.28	1.18	8%	Not applicable
Return on Equity ratio (in times)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.62)	(0.34)	-28%	Ratio healthier on better profitability
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	11.01	14.73	-25%	Inventory managed better in the current year
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	18.47	85.86	-78%	Receivable managed better this year through higher collection
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.53	2.00	27%	Increase is on account of payment to creditors on time during the current year as compared to previous year
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	(3.38)	(1.61)	110%	Increase in balance of cash and cash equivalents enable better current asset position thereby improved capital turnover ratio
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	24%	23%	1%	Higher turnover and better cost management
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	-118%	-53%	-122%	Better profitability improves ROCE

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Sterling Holiday Resorts (Kodaikanal) Ltd * CHENNAI

(All amounts in lakhs of Indian rupees, unless otherwise stated)

35 Other Statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

36 Earnings per share

	March 31, 2024	March 31, 2023
Profit/(Loss) for the year attributable to the equity holders of the Company	458.49	398.56
Weighted average number of equity shares outstanding	50,000	50,000
Basic and diluted earnings per share	**916.98**	**797.12**

37 Subsequent events

There are no significant subsequent events, that have occurred after the reporting period till the date of the signing of these financial statements.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Satish Vaidyanathan
Partner
Membership No.: 217042
Place: Chennai
Date: May 14, 2024

For and on behalf of the Board of Directors of
Sterling Holiday Resorts (Kodaikanal) Limited
(CIN U92490TN1987PLC014215)

Ramesh Shanmugam
Director
DIN No.: 06646158
Place: Chennai
Date: May 6, 2024

Krishna Kumar L
Director
DIN No.: 00420790
Place: Chennai
Date: May 6, 2024

Quality Checks :

	Completed
Spelling / diction / Comparison	✓
Indexing /pagination / paras	✓
Calculation / arithmetical accuracy rounding off errors	✓

Done by :

Name and Designation SRIKRISHNA N S, MANAGER

Signature and Date NSK 14/5/24

Engagement Partner SATISH VAIDYANATHAN

Project Code 166449

Travel Circle International (Mauritius) Ltd

FINANCIAL STATEMENTS
YEAR ENDED
31 March 2024

Contents

Corporate data

		Date appointed
Directors:	Mr Mohinder Dyall	26-May-17
	Ms Sangeeta Bissessur	11-Sep-18

Company Secretary: Apex Financial Services (Mauritius) Ltd
Apex House, Bank Street
Twenty Eight Cybercity
Ebene 72201

Registered office: C/o Apex Financial Services (Mauritius) Ltd
Apex House, Bank Street
Twenty Eight Cybercity
Ebene 72201

Auditor: Baker Tilly
Level 4, Building A5
15 Wall Street
Ebene 72201
Mauritius

Bankers: The Mauritius Commercial Bank Ltd
Sir William Newton Street
Port Louis
Republic of Mauritius

Axis Bank Limited
Gift City Branch, Unit No. 403
Gandhinagar, Gujarat – 382355
Republic of India

Standard Chartered Bank
Crescenzo, 6th Floor
Bandra East
Mumbai – 400051
Republic of India

Standard Chartered Bank
Business Centre
Khalid Bin Waleed Road
But Dubaid – P.O Box 999
Dubai
United Arab Emirates

Commentary of the directors

The directors of Travel Circle International (Mauritius) Ltd, the "Company", have the pleasure in submitting their report together with the audited financial statements for the year ended 31 March 2024.

Incorporation

The Company was incorporated in the Republic of Mauritius on 26 May 2017 under the Mauritius Companies Act 2001 as a private company with liability limited by shares.

Principal activity

The principal activity of the Company is to hold investments.

Results and dividends

The results for the year are as shown on page 9.

The directors do not recommend the payment of any dividend for the year under review (2023: USD Nil).

Directors

The present membership of the Board is set out on page 2.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

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

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and the IFRS, as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for Companies holding a Global Business Licence. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, **Baker Tilly**, has indicated its willingess to continue in office and a resolution concerning its re-appointment will be proposed at the Annual Meeting.

Certificate from the Secretary to the members of Travel Circle International (Mauritius) Ltd

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Travel Circle International (Mauritius) Ltd** under the Mauritius Companies Act 2001, during the financial year ended 31 March 2024.

For Apex Financial Services (Mauritius) Ltd
Company Secretary

Registered Office:
Apex House, Bank Street
Twenty Eight Cybercity
Ebene 72201
Republic of Mauritius

Date: 29 May 2024

Level 4, Building A5
15 Wall Street
Ebène 72201
Mauritius

T: +230 460 8800
BRN: LLP22000037
info@bakertilly.mu
www.bakertilly.mu

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of *Travel Circle International (Mauritius) Ltd* (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 8 to 33 give a true and fair view of the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

This opinion has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purposes.

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

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

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

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the corporate data, commentary of the directors and certificate from the secretary.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor.

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

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

Baker Tilly

Baker Tilly

Date: 29 May 2024

Sin C. LI, CPA, CGMA

Licensed by FRC

Travel Circle International (Mauritius) Ltd

Statement of financial position as at 31 March 2024

	Notes	2024 USD	2023 USD
Assets			
Non-current assets			
Investments in subsidiaries	7	**24,606,816**	24,606,816
Total non-current assets		**24,606,816**	24,606,816
Current			
Loans	8	**55,197,287**	61,214,410
Other receivables	9	**-**	78,371
Investment in fixed deposits	10	**205,833**	1,605,775
Cash and cash equivalents	11	**1,318,942**	406,526
Total current assets		**56,722,062**	63,305,082
Total assets		**81,328,878**	87,911,898
Equity and liabilities			
Equity			
Stated capital	12.1	**4,133,001**	4,133,001
Share premium	12.2	**5**	5
Optionally convertible redeemable preference shares	13	**25,910,000**	25,910,000
Accumulated losses		**(4,534,653)**	(3,749,198)
Total equity		**25,508,353**	26,293,808
Liabilities			
Current			
Borrowings	14	**55,668,118**	61,343,123
Payables	15	**152,407**	274,967
Current liabilities		**55,820,525**	61,618,090
Total liabilities		**55,820,525**	61,618,090
Total equity and liabilities		**81,328,878**	87,911,898

Approved by the Board on **29 May 2024** and signed on its behalf by:

Director

Director

The notes on pages 12 to 33 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of comprehensive income for the year ended 31 March 2024

	Notes	2024 USD	2023 USD
INCOME			
Interest income - related parties		**3,961,685**	3,726,511
Interest income - bank		**43,273**	39,515
Total interest income		**4,004,958**	3,766,026
EXPENDITURE			
Professional fees		**195,363**	141,764
Fines		**-**	347
Other expenses		**22,591**	22,529
Audit fees		**5,162**	4,838
Accounting fees		**12,000**	12,000
Processing fees		**62,795**	65,000
Corporate guarantee fees		**32,325**	38,544
Interest expense - related parties		**3,936,347**	3,173,875
Interest expense - bank		**232,292**	408,738
Foreign exchange losses		**291,538**	549,090
Total expenditure		**4,790,413**	**4,416,725**
Loss before tax		**(785,455)**	(650,699)
Tax expense	16	**-**	-
Loss for the year		**(785,455)**	(650,699)
Total comprehensive loss the year		**(785,455)**	(650,699)

The notes on pages 12 to 33 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of changes in equity for the year ended 31 March 2024

	Stated capital USD	Share premium USD	Optionally convertible redeemable Preference shares USD	Accumulated losses USD	Total equity USD
At 31 March 2023	**4,133,001**	**5**	**25,910,000**	**(3,749,198)**	**26,293,808**
Loss for the year	**-**	**-**	**-**	**(785,455)**	**(785,455)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(785,455)**	**(785,455)**
At 31 March 2024	**4,133,001**	**5**	**25,910,000**	**(4,534,653)**	**25,508,353**
At 31 March 2022	4,133,001	5	25,910,000	(3,098,499)	26,944,507
Loss for the year	-	-	-	(650,699)	(650,699)
Total comprehensive loss for the year	-	-	-	(650,699)	(650,699)
At 31 March 2023	4,133,001	5	25,910,000	(3,749,198)	26,293,808

The notes on pages 12 to 33 form an integral part of these financial statements.

Statement of cash flows for the year 31 March 2024

	Notes	2024 USD	2023 USD
Operating activities			
Loss before tax		**(785,455)**	(650,699)
Adjustments for:			
Interest income		**(4,004,958)**	(3,766,026)
Interest expense		**4,168,639**	3,582,613
Operating loss before working capital changes		**(621,774)**	(834,112)
Changes in working capital:			
Change in payables		**(122,560)**	72,100
Change in receivables		**78,371**	49,424
Total changes in woking capital		**(44,189)**	121,524
Net cash used in operating activities		**(665,963)**	(712,588)
Investing activities			
Investment in fixed deposits	10	**(265,648)**	(39,515)
Fixed deposit redeemed	10	**1,665,590**	-
Net cash generated from/(used in) investing activities		**1,399,942**	(39,515)
Financing activities			
Loans from related parties		**12,124,815**	3,300,000
Loans to related parties		**(2,929,469)**	(11,666,054)
Repayment of borrowings - related parties		**(8,130,000)**	(1,453,217)
Repayments of borrowings - bank		**(5,000,000)**	(5,000,000)
Additions in borrowings		**4,460,000**	15,763,213
Interest paid		**(823,644)**	(497,639)
Interest received		**476,735**	175,866
Net cash generated from financing activities		**178,437**	622,169
Net change in cash and cash equivalents		**912,416**	(129,934)
Cash and cash equivalents, at beginning of the year		**406,526**	536,460
Cash and cash equivalents, at end of the year		**1,318,942**	406,526
Cash and cash equivalents made up of:			
Cash at bank (Note 11)		**1,318,942**	406,526

For reconciliation of liabilities arising from financial activities, refer to ***Note 18***

The notes on pages 12 to 33 form an integral part of these financial statements.

1. General information and statement of compliance with International Financial Reporting Standards ("IFRS")

Travel Circle International (Mauritius) Ltd, the "Company", was incorporated on 26 May 2017 in the Republic of Mauritius under the Mauritius Companies Act 2001 as a private company with liability limited by shares. The Company holds a Global Business Licence issued (formerly Category 1 Global Business Licence) by the Financial Services Comission. The Company's registered office is Apex House, Bank Street, Twenty Eight Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

No consolidated financial statements are presented as the Company's ultimate holding company, Fairfax Financial Holdings Limited, will present consolidated financial statements under International Reporting Standard (''IFRS''). The registered office of Fairfax Financial Holdings Limited, is 95 Wellington Street West, Suite 800 Toronto, Ontario, Canada. The directors have hence taken the advantage of paragraph 4 of International Reporting Standard (''IFRS''), which dispenses it from the need to present consolidated financial statements.

2. Application of new and revised IFRS

2.1 Application of new and revised International Financial Reporting Standards ("IFRS")

Up to the date of issue of these financial statements, the IASB has issued the following amendments which are effective for annual periods beginning on or after 01 April 2023:

- Initial Application of IFRS 17 and IFRS 9 **-** Comparative Information (Amendment to IFRS 17)
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments **-** Disclosure of Accounting Policies)
- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments **-** Definition of Accounting Estimates)
- IAS 12 Income Taxes (Amendments **-** Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- IAS 12 Income Taxes (International Tax Reform **-** Pillar Two Model Rules)

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 01 April 2023.

Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17)

The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. An entity that elects to apply the amendment applies it when it first applies IFRS 17.

2. Application of new and revised IFRS

2.1 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd))

Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17) (Cont'd)

The main amendment in Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17) is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9, but where this information has not been restated for IFRS 9. Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

There are no changes to the transition requirements in IFRS 9.

An entity that elects to apply the amendment applies it when it first applies IFRS 17.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendments - Disclosure of Accounting Policies)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 April 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whilst changes in accounting policies are generally applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after 1 April 2023.

2. Application of new and revised IFRS

2.1 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendments - Definition of Accounting Estimates) (Cont'd)

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

IAS 12 Income Taxes (Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

IAS 12 Income Taxes (International Tax Reform - Pillar Two Model Rules)

The amendments align the standard's requirements with similar amendments to IAS 12 Income Taxes issued in May 2023. The application of the exception and disclosure of that fact is effective immediately, the other disclosure requirements are effective for annual reporting periods beginning on or after 1 April 2023.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS (Pillar Two model rules). In March 2022, the OECD released commentary and illustrative examples that elaborate on the application and operation of the rules and clarify certain terms.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The stakeholders emphasised an urgent need for clarity given the imminent enactment of tax law to implement the rules in some jurisdictions. In response to stakeholder concerns, the IASB proposed amendments to IAS 12 Income Taxes. It issued Exposure Draft International Tax Reform—Pillar Two Model Rules (Proposed Amendments to IAS 12) on 9 January 2023. Given the urgent requirement for clarity, a shorter comment period of 60 days was provided. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules on 23 May 2023.

2 Application of new and revised IFRS (Cont'd)

2.1 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

The Amendments introduce a temporary exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

2.2 Standards and interpretations issued and not yet effective for the financial year ended 31 March 2024

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them. The directors have assessed that the below standards would not have an impact on the financial statements.

Amendments	**Effective for accounting period beginning on or after**
IFRS 7 Financial Instruments: Disclosures (Amendments regarding supplier finance arrangements)	1 January 2024
IFRS 16 Leases (Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendments - Classification of Liabilities as Current or Non-current)	1 January 2024
IAS 1 Presentation of Financial Statements (Amendments - Non-current Liabilities with Covenants)	1 January 2024
IAS 7 Statement of Cash Flows (Amendments regarding supplier finance arrangements)	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2 Climate – related Disclosures	1 January 2024

The Company is in the process of making an assessment of the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. The amendments are not expected to have any major impact on the Company's financial statement.

3 Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Investments in susidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.3 Foreign currency

Functional and presentation

The financial statements are presented in United States Dollar ("USD"), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3 Summary of accounting policies (Cont'd)

3.4 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

Interest income is accounted on an accrual basis unless collectability is in doubt.

3.5 Operating expenses

Operating expenses are accounted on an accrual basis in the statement of comprehensive income.

3.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the year of the borrowings using the effective interest method.

Borrowing costs are expensed in the year in which they are incurred.

3.7 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of an impairment loss exists, the carrying amount of the asset is assessed and is written down to its recoverable amount.

3.8 Financial instruments

Recognition, initial measurement and derecognition.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3. Summary of accounting policies (Cont'd)

3.8 Financial instruments (Cont'd)

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (“FVTPL”)
- fair value through other comprehensive income (“FVOCI”)

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company’s business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s loans, investment in fixed deposits, cash and cash equivalents and most receivables fall into this category of financial instruments.

3. Summary of accounting policies (Cont'd)

3.8 Financial instruments (Cont'd)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of these requirements include mainly loans.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company makes use of a simplified approach in accounting for its loans and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company writes off a financial asset when there is information indicating that the borrowers are in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include payables and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs or finance income.

Offsetting financial instruments

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

3.9 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3 Summary of accounting policies (Cont'd)

3.10 Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Equity and reserves

Stated capital is determined using the nominal values of shares that have been issued. The amount received in excess of the nominal values is classified as share premium.

Accumulated losses include all the current and prior years' results as disclosed in the statement of comprehensive income.

Debt and equity instruments issued by the Company 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.

3.12 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those claims from, or obligations to fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

3.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses.

All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3. Summary of accounting policies (Cont'd)

3.14 Significant management judgements in applying accounting policies and estimation uncertainties

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Significant management judgements

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of loans

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its loans. The directors consider a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

3. Summary of accounting policies (Cont'd)

3.14 Significant management judgements in applying accounting policies and estimation uncertainties (Cont'd)

Estimation uncertainties (Cont'd)

Impairment of investments in subsidaries

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts have not suffered any impairment in value at the reporting date.

4 Financial instrument risk

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company risk management policies are designed to identify and analyse these risks, to set up appropriate risk limits and controls, and to monitor the risks.

The Company's risk is managed at group level and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

The Company's financial assets and financial liabilities by category are summarised below:

	2024	2023
	USD	USD
Finacial assets		
Amortised cost		
Current		
Loans	**55,197,287**	61,214,410
Cash and cash equivalents	**1,318,942**	406,526
Current assets	**56,516,229**	61,620,936
Total financial assets	**56,516,229**	61,620,936

4 Financial instrument risk (Cont'd)

Risk management objectives and policies (Cont'd)

	2024 USD	2023 USD
Financial liabilities		
Amortised cost		
Current		
Borrowings	**55,668,118**	61,343,123
Payables	**152,407**	274,967
	55,820,525	61,618,090
Total financial liabilities	**55,820,525**	61,618,090

** Financial asssets exclude prepayments USD Nil (2023: USD 78,371) and investment in fixed deposit USD 205,833 (2023: USD 1,605,775).*

The most significant financial risk to which the Company is exposed are described below:

4.1 Market risks analysis

Foreign currency exchange risk

The Company's exposure to foreign exchange risk relates mostly to its financial assets and liabilities denominated in Australian Dollars ("AUD").

The currency profile of the Company's financial assets and liabilities is as follows:

	Financial assets 2024 USD	Financial assets 2023 USD	**Financial liabilities 2024 USD**	Financial liabilities 2023 USD
Australian Dollar ("AUD")	**6,762,402**	5,983,794	**-**	-
United States Dollar ("USD")	**49,753,827**	55,637,142	**55,820,525**	61,618,090
Total	**56,516,229**	61,620,936	**55,820,525**	61,618,090

It assumes a **10%** change in the AUD/USD exchange rates for the year ended 31 March 2024 (2023: 10%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the AUD by 10%, profit would have increased by **USD 676,240** at 31 March 2024 (2023: loss would have decreased by USD 598,379). If the USD had weakened by the same percentage against the foreign currency, profit would have decreased by **USD 676,012** (2023: profit would have increased by USD 598,379).

4. Financial instrument risk (Cont'd)

4.1 Market risks analysis (Cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest-bearing financial liabilities in the form of loans and borrowings respectively. The interests thereon are at fixed rate.

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised overleaf:

	2024 **USD**	2023 USD
Current		
Loans	**55,197,287**	61,214,410
Cash and cash equivalents	**1,318,942**	406,526
Current assets	**56,516,229**	61,620,936
Total	**56,516,229**	61,620,936

** Financial asssets exclude prepayments USD Nil (2023: USD 78,371) and investment in fixed deposit USD 205,833 (2023: USD 1,605,775).*

The directors have assessed the loans due from related parties and concluded that these loans have not suffered from any impairment at the reporting date, hence no expected credit loss is to be recognised. Also, the Company, acting as an investment vehicle, forms part of a group where the treasury functions are centrally managed and all loans within group companies are managed at the holding company level.

The credit risk for cash and cash equivalents is considered negligible, since the Company transacts with reputable banks.

4 Financial instrument risk (Cont'd)

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages its liquidity needs by carefully monitoring its cash outflows due in day-to-day business and also by securing the financial support of its holding companies and financial institutions.

The Company considers expected cash flows from financial assets in assessing liquidity risk, in particular its cash resources and loans.

The following are the contractual maturities of financial liabilities:

31 March 2024	**Carrying amount USD**	**Contractual cash flows USD**	**Less than one year USD**	**1-5 years USD**
Borrowings	**55,668,118**	**55,668,118**	**55,668,118**	**-**
Payables	**152,407**	**152,407**	**152,407**	**-**
	55,820,525	**55,820,525**	**55,820,525**	**-**

31 March 2023	**Carrying amount USD**	**Contractual cash flows USD**	**Less than one year USD**	**1-5 years USD**
Borrowings	61,343,123	61,343,123	61,343,123	-
Payables	274,967	274,967	274,967	-
	61,618,090	61,618,090	61,618,090	-

5 Capital management policies and procedures

The Company's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to shareholders and stakeholders.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, reduce capital, issue new shares, or sell assets to reduce debts.

5 Capital management policies and procedures (Cont'd)

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital:

	2024	2023
	USD	USD
Debt	**55,668,118**	61,343,123
Cash and cash equivalents	**(1,318,942)**	(406,526)
Net debt	**54,349,176**	60,936,597
Equity	**25,508,353**	26,293,808
Total capital	**79,857,530**	87,230,405
Gearing ratio	**68.06%**	69.86%

Debt includes loans from related parties but excludes loans from banks (Note 14).

6 Fair value measurement

6.1 Fair value measurement of financial instruments

The Company's financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

The Company, acting as an investment vehicle in the group, has invested in a number of unquoted companies engaged in diversified business activities. The Company's policy is to revalue its financial assets on an annual basis for financial reporting purposes in collaboration with its holding company. The valuation is discussed at appropriate authority level and due consideration is given to impairment losses. The directors consider that it is not relevant and practicable to adjust for any fair value movement at the Company's level given the business model in which the Company operates within the group.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of investments in subsidiaries and prepayments and it did not have any non-financial liabilities.

6 Fair value measurement (Cont'd)

6.2 Fair value measurement of non-financial assets and non-financial liabilities (Cont'd)

For non-financial assets, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

7 Investments in subsidiaries

7.1 Movement during the year

	2024	2023
	USD	USD
At 01 April and 31 March	**24,606,816**	24,606,816

7.2 Details pertaining to the investments are as follows:

Name of companies	**Country of Incorporation**	**2024 Holding**	2023 Holding
Kuoni Australia Holding Pty Ltd	Australia	100%	100%
Asian Trails Holdings Ltd	Republic of Mauritius	80%	80%
Reem Tours and Travel LLC (Note 7.5)	United Arab Emirates	100%	100%
Gulf Dunes LLC (Note 7.5)	United Arab Emirates	100%	100%
Desert Adventures Tourism LLC (Note 7.5)	United Arab Emirates	100%	100%
Kuoni Private Safaris (Pty) Ltd	Republic of South Africa	100%	100%
Private Safaris (EA) Ltd	Kenya	100%	100%
DEI Holdings Limited	United Arab Emirates	51%	51%

7.3 As the Company forms part of a group, the impairment assessment for financial reporting is done at group level. The directors consider that these investments have not suffered any impairment at the reporting date.

7.4 No consolidated financial statements are presented as the Company's ultimate holding company, Fairfax Financial Holdings Limited, will present consolidated financial statements under International Reporting Standard (''IFRS''). The registered office of Fairfax Financial Holdings Limited, is 95 Wellington Street West, Suite 800 Toronto, Ontario, Canada. The directors have hence taken the advantage of paragraph 4 of International Reporting Standard (''IFRS''), which dispenses it from the need to present consolidated financial statements.

7.5 The Company holds 49% each of the shares of Reem Tours and Travel LLC, Gulf Dunes LLC and Desert Adventures Tourism LLC and the remaining shares are indirectly held by the Company through distinct nominees. The Company maintains beneficial ownership of these investments.

7.6 The Company has not received any dividend income during the current financial year (2023: USD nil).

8 Loans

	2024 USD	2023 USD
Current		
Loans to related companies (Notes (i))	**55,197,287**	61,214,410

(i) The loans are unsecured, receivable within twelve months, repayable on demand and interest bearing 8.48% - 8.86% per annum (2023: 6.98% per annum).

(ii) Interest due on the loans to related companies for the year amounted to **USD 8,959,348** (2023: USD 5,431,128).

(iii) Expected credit losses

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all its loans receivable as these items do not have a significant financing component.

The directors consider no expected credit loss is to be recognised for the loans receivable as the borrowers form part of the same group of companies.

9 Other receivables

	2024 USD	2023 USD
Prepayments	**-**	78,371

10 Investment in fixed deposits

	2024 USD	2023 USD
At 01 April 2023	**1,605,775**	1,566,260
Investment during the year	**205,000**	-
Redeemed during the year	**(1,665,590)**	-
Interest element	**60,648**	39,515
At 31 March 2024	**205,833**	1,605,775

(i) At 31 March 2024, the Company held fixed deposits with maturity dates of 14 June 2024 and carried interest rates at 5% (2023: 0.1% - 3%)per annum.

(ii) Interest accrued on the investment in fixed deposits for the year amounted to **USD 60,648** (2023: USD 39,515).

11 Cash and cash equivalents

	2024	2023
	USD	USD
Cash at bank (USD)	**1,318,942**	406,526

12.1 Stated capital

	2024	2023
	USD	USD
4,133,001 ordinary shares of USD 1 each	**4,133,001**	4,133,001

Balance consist of the issue of 1 ordinary share of par value USD 1 to Thomas Cook (Mauritius) Holding Company

Limited, at a price of USD 6.18, thus resulting in a premium of USD 5.18 (Note 12.2).

Rights attached to the ordinary shares are as per the Mauritius Companies' Act, as follows:

(i) the right to vote on a poll for every share held at a meeting of the Company on any resolution;

(ii) the right to an equal share in dividends authorised by the Board;
(iii) the right to an equal share in the distribution of the surplus assets of the Company.

12.2 Share premium

	2024	2023
	USD	USD
Share premium	**5**	5

13 Optionally convertible redeemable preference shares ("OCRPS")

	2024	2023
	USD	USD
Nominal value	**23,649,535**	23,649,535
Share premium (Note 13.3)	**2,260,465**	2,260,465
Total	**25,910,000**	25,910,000

13.1 The OCRPS are redeemable at the option of the issuer anytime during the tenure of these shares. At the end of 20 years from date of issue, the OCRPS shall be converted into ordinary shares.

13.2 The OCRPS carry the following

- to receive notice of and attend shareholder meetings generally and class meetings of the OCRPS but no right to vote on any matters to be considered by the shareholders generally, provided that each OCRPS shall have the right to vote on any matter to be considered by holders of the OCRPS shares.

- right to dividend out of profits, only if, dividend is also declared to equity shareholders. OCRPS dividend would be non-cumulative. However, the Board would have the right to change the dividend rights at any time during the tenure of the OCRPS.

13.3 In prior years, 3,139,535 OCRPS have been issued at a premium of USD 0.72 per share, resulting in a premium of USD 2,260,465.

14 Borrowings

	2024 USD	2023 USD
Current		
Loans from banks (Note (i))	**-**	5,012,896
Loans from related parties (Note (ii))	**55,668,118**	56,330,227
Total current	**55,668,118**	61,343,123
Total borrowings	**55,668,118**	61,343,123

(i) The loans from the banks are interest-bearing and secured by a fixed charge on the Company's investment in DEI Holdings Limited and Desert Adventures Tourism LLC, a corporate guarantee by Thomas Cook (India) Limited. The loans from banks have been fully repaid during the year.

(ii) The loans from the related parties carry interest ranging from 6.25% to 8.15% per annum, unsecured and repayable within twelve months. The directors consider the carrying amount of the loans to be a reasonable approximation of the fair values.

(iii) Interest accrued on the loans for the year amounted to USD **8,188,118** (2023: USD 4,843,123).

15 Payables

	2024 USD	2023 USD
Accruals	**76,272**	121,347
Due to a related party	**76,135**	153,620
Total	**152,407**	274,967

The amount due to the related party is interest-free, unsecured and repayable within twelve months.

16 Taxation

16.1 Income tax expense

The taxation of income and capital gains of the Company are subject to the fiscal laws and practice of the Republic of Mauritius and the countries in which the Company invests. The following is a summary in the key jurisdictions based on the taxation laws and practice currently in force; these may be subject to change.

16 Taxation (Cont'd)

16.1 Income tax expense (Cont'd)

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007. Pursuant to the enactment of the Finance Act 2018, with effect as from 01 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of the income of the Company from tax in Mauritius, with the remaining 20% of the income to be subject to a 15% tax, resulting in effective tax rate on of 3%.

At 31 March 2024, the Company had no income tax liability due to accumulated tax losses of **USD 1,477,349** (2023: USD 1,619,411) carried forward.

16.2 Income tax reconciliation

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2024 **USD**	2023 USD
Loss before tax	**(785,455)**	(650,699)
Tax at 3%	**(23,564)**	(19,521)
Non-allowable expenses	**122,892**	132,502
Exempt income	**(95,080)**	(90,384)
Tax loss utilised	**(4,248)**	(22,597)
Tax expense	**-**	-

The tax losses are available for set off against future taxable income as follows:

	2024 **USD**	2023 USD
Up to year ending:		
31-Mar-24	302,868	302,868
31-Mar-25	152,974	152,974
31-Mar-26	455,095	455,095
31-Mar-27	536,265	536,265
31-Mar-28	172,209	172,209
31-Mar-29	(142,062)	-
	1,477,349	1,619,411

17 Related party transactions

During the year ended 31 March 2024, the Company had transactions with related entities. The nature, volume of transactions and balances with related parties are as follows.

Name of related party	Nature of transactions	Volume of transactions	Debit/(Credit) balances at 31-Mar 2024 USD	Debit/(Credit) balances at 31-Mar 2023 USD
Private Safaris East Africa	Borrowings	**363,098**	**-**	(363,098)
Thomas Cook (India) Limited	Borrowings	**336,164**	**(54,969,269)**	(55,305,433)
Thomas Cook (Mauritius) Holding Company Limited	Borrowings	**(37,153)**	**(698,849)**	(661,696)
Asian Trails Holdings Ltd	Loans	**2,188,061**	**28,086,769**	25,898,708
DEI Holdings Limited	Loans	**(3,211,833)**	**18,449,251**	21,661,084
Desert Adventures Tourism LLC	Loans	**(3,712,154)**	**-**	3,712,154
Kuoni Australia Holding Pty. Ltd	Loans	**118,112**	**6,762,402**	6,644,290
Private Safaris Africa	Loans	**(260,092)**	**1,183,847**	1,443,939
Horizon Travel Services	Loans	**(1,139,217)**	**715,018**	1,854,235
Thomas Cook (Mauritius) Holding Company Limited	Payables	**77,485**	**(76,135)**	(153,620)
SOTC Travel Limited	OCRPS	**-**	**(11,600,000)**	(11,600,000)
Thomas Cook (India) Limited	OCRPS	**-**	**(14,310,000)**	(14,310,000)

The terms and conditions are described in Notes 8, 13, 14 and 15 to these financial statements.

18 Reconciliation of liabilities arising from financing activities

2024	At 01 April 2023 USD	Cash flows USD	Non-cash flows USD	At 31 March 2024 USD
Loans from related parties	**56,330,227**	**(662,109)**	**-**	**55,668,118**
Loan from banks	**5,012,896**	**(5,012,896)**	**-**	**-**
Total	**61,343,123**	**(5,675,005)**	**-**	**55,668,118**

18 Reconciliation of liabilities arising from financing activities (Cont'd)

2023	At 01 April USD	Cash flows USD	Non-cash flows USD	At 31 March USD
Loans from related parties	38,939,570	17,390,657	-	56,330,227
Loan from banks	10,008,581	(4,995,685)	-	5,012,896
Total	48,948,151	12,394,972	-	61,343,123

19 Holding companies

The holding companies are SOTC Travel Limited and Thomas Cook (India) Limited, companies incorporated in the Republic of India and Thomas Cook (Mauritius) Holding Company Limited, a company incorporated in the Republic of Mauritius.

20 Contingencies and capital commitments

The Company does not have any contingent liability and capital commitment at year ended.

21 Events after reporting date

There has been no significant event after the reporting date which requires disclosures or amendments to the financial statements.

Horizon Travel Services LLC
Balance Sheet as at 31st Mar, 2024

Currency - USD

Particulars	**Notes**	**As at 31st Mar, 2024**	**As at 31st March 2023**
ASSETS			
Non-current assets:			
Property, plant and equipment	3	29,241	24,905
Capital work-in-progress	3	-	-
Goodwill	4	24,62,283	24,62,283
Other intangible Assets	4	1,19,152	1,20,617
Right of Use Assets	4(a)	9,84,810	12,03,242
Intangible assets under development			
Investment accounted for using equity method	5	10,000	-
Investment in subsidiaries	5	30,337	30,337
Financial assets			
- Non current investments	5	-	-
- Loans			
- Other financial assets	6(e)	35,239	31,288
Other non-current assets	7	7,206	10,369
Non Current Income Tax assets	9	7,391	6,341
Deferred tax assets (net)	16	17,82,437	20,85,553
Total non-current assets		**54,68,095**	**59,74,936**
Current assets:			
Inventories			
Financial assets			
- Investments	6(a)	-	-
- Trade receivables	6(b)	12,11,640	6,98,679
- Cash and cash equivalents	6(c)	30,13,644	13,96,379
- Bank balances other than cash and cash equivalents	6(d)	-	-
- Other financial assets	6(e)	2,45,193	8,12,385
Other current assets	8	16,44,302	12,84,794
Total current assets		**61,14,779**	**41,92,237**
TOTAL ASSETS		**1,15,82,874**	**1,01,67,173**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	9,75,000	9,75,000
Preference share capital	10(a)	-	
Other equity			
Share application money pending allotment		-	
Reserve and surplus	10(b)	(71,63,654)	(78,78,397)
Total Equity		**(61,88,654)**	**(69,03,397)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Lease Liabilities	11(c)	10,36,811	
- Other financial liabilities	11(c)	5,07,151	17,51,754
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		**15,43,962**	**17,51,754**
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	70,70,000	82,70,000
- Lease Liabilities	11(c)	2,06,233	
- Trade payables	11(d)	35,99,285	29,32,703
- Other financial liabilities	11(c)	17,42,947	16,84,131
Provisions	14	-	-
Employee Benefit Payable	15	-	-
Current Income Tax Liabilities	9	-	-
Other current liabilities	13	36,09,100	24,31,982
Total current liabilities		**1,62,27,565**	**1,53,18,816**
TOTAL LIABILITIES		**1,77,71,528**	**1,70,70,570**
TOTAL EQUITY AND LIABILITIES		**1,15,82,874**	**1,01,67,173**
		-0	**-1**

Summary of Significant Accounting Policies
The above balance sheet should be read in conjunction with the accompanying notes.

Horizon Travel Services LLC
Statement of Profit And Loss for the 12 months ended 31st March 2024

Particulars	Notes	12 months ended 31st March 2024	12 months ended 31st March 2023
Income			
Revenue from operations	17	5,47,52,506	4,36,87,582.7
Other income	18(a)	9,12,840	5,93,450.2
Other gains (net)	18(b)	13,000	-
Total income		**5,56,78,346**	**4,42,81,033**
Expenses			
Cost of services		4,86,52,066	3,92,85,677.8
Employee benefits expense	19	31,57,983	27,77,404.6
Finance Cost	22	8,13,145	8,53,122.2
Advertisement Expenses		56,574	55,379.2
Depreciation and amortisation expense	20	2,98,140	3,27,004.1
Other expenses	21	16,75,903	14,11,499.9
Total expenses		**5,46,53,811**	**4,47,10,088**
Profit before exceptional item		**10,24,535**	**(4,29,055)**
Add Exceptional items:			
Less Exceptional items:			
(Loss)/Profit before tax		**10,24,535**	**(4,29,055)**
Less : Tax expense			
Current tax	23	6,675	2,423
Deferred tax	23	3,03,116	(81,063)
Total tax expenses		**3,09,791**	**(78,640)**
(Loss)/Profit for the year (A)		**7,14,744**	**(3,50,415)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign exchange translation on consolidation		-	-
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		**-**	
Total comprehensive income for the year (A+B)		**7,14,744**	
Earnings/(Loss) per equity share (Face value of INR 1 each)	34		
- Basic earnings/(loss) per share		0.73	(0.36)
- Diluted earnings/(loss) per share		NA	NA

Summary of Significant Accounting Policies **2**
The above statement of profit and loss should be read in conjunction with the accompanying notes.

Horizon Travel Services LLC

Rosanna Jacob - CFO

AlliedTPro Travel Canada Limited
Balance Sheet as at 31st Mar 2024

Currency - CAD

Particulars	Notes	As at 31st Mar 2024	As at 31st March, 2023
ASSETS			
Non-current assets:			
Property, plant and equipment	3	-	-
Capital work-in-progress	3	-	-
Goodwill	4	-	-
Other intangible Assets	4	334	1,164
Right of Use Assets	4(a)	-	-
Intangible assets under development			
Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	-	-
Financial assets			-
- Non current investments	5	-	-
- Loans			-
- Other financial assets	6(e)	-	-
Other non-current assets	7	-	-
Non Current Income Tax assets	9	-	-
Deferred tax assets (net)	16	-	-
Total non-current assets		**334**	**1,164**
Current assets:			
Inventories			
Financial assets			
- Investments	6(a)	-	-
- Trade receivables	6(b)	5,05,151	2,24,517
- Cash and cash equivalents	6(c)	8,54,082	3,85,348
- Bank balances other than cash and cash equivalents	6(d)	-	
- Other financial assets	6(e)	(0)	
Other current assets	8	20,820	6,242
Total current assets		**13,80,054**	**6,16,108**
TOTAL ASSETS		**13,80,388**	**6,17,272**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	25,000	25,000
Preference share capital	10(a)	-	
Other equity			
Share application money pending allotment		-	
Reserve and surplus	10(b)	(20,468)	(68,366)
Total Equity		**4,532**	**(43,366)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	6,782	-
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		**6,782**	**-**
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	-	-
- Trade payables	11(d)	5,37,919	1,47,526
- Other financial liabilities	11(c)	-	-
Provisions	14	-	-
Employee Benefit Payable	15	-	-
Current Income Tax Liabilities	9	-	-
Other current liabilities	13	8,31,155	5,13,111
Total current liabilities		**13,69,074**	**6,60,638**
TOTAL LIABILITIES		**13,75,855**	**6,60,638**
TOTAL EQUITY AND LIABILITIES		**13,80,388**	**6,17,272**

Summary of Significant Accounting Policies
The above balance sheet should be read in conjunction with the accompanying notes.

AlliedTPro Travel Canada Limited

Rosanna Jacob - CFO

AlliedTPro Travel Canada Limited
Statement of Profit And Loss for the 12 months ended 31st Mar 2024

Particulars	Notes	12 months ended 31st Mar 2024	12 months ended 31st Mar 2023
Income			
Revenue from operations	17	25,57,185	15,99,430
Other income	18(a)	2,385	40,311
Other gains (net)	18(b)	-	
Total income		**25,59,569**	**16,39,741**
Expenses			
Cost of services		22,91,392	14,51,187
Employee benefits expense	19	92,929	1,11,734
Finance Cost	22	11,616	10,760
Advertisement Expenses		-	-
Depreciation and amortisation expense	20	830	830
Other expenses	21	1,14,904	1,19,383
Total expenses		**25,11,671**	**16,93,894**
Profit before exceptional item		**47,898**	**(54,153)**
Add Exceptional items:			
Less Exceptional items:			
(Loss)/Profit before tax		**47,898**	**(54,153)**
Less : Tax expense			
Current tax	23	-	
Deferred tax	23	-	
Total tax expenses		**-**	
(Loss)/Profit for the year (A)		**47,898**	**(54,153)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Foreign exchange translation on consolidation		-	
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		**-**	
Total comprehensive income for the year (A+B)		**47,898**	**(54,153)**
Earnings/(Loss) per equity share (Face value of INR 1 each)	34		
- Basic earnings/(loss) per share		4.79	(5.42)
- Diluted earnings/(loss) per share		-	

Summary of Significant Accounting Policies **2**
The above statement of profit and loss should be read in conjunction with the accompanying notes.

AlliedTPro Travel Canada Limited

Rosanna Jacob - CFO

Kuoni Australia Holding Pty Ltd

ABN 78 133 084 714

Annual Report - 31 December 2023

Kuoni Australia Holding Pty Ltd
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kuoni Australia Holding Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

Directors
The following persons were directors of Kuoni Australia Holding Pty Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Eng Waa Teh
Laurent Kuenzle
Madhavan Karunakaran Menon
Sebastian Alex Mendonca

Principal activities
The principal activity of the company during the financial year was investment holding of Australian Tours Management Pty Ltd. The company did not generate revenue during the year.

There has been no significant change in the nature of the entity's principal activity during the year.

The principal activities of Australian Tours Management Pty Ltd during the financial year were managing and co-ordinating tours. No significant change in the nature of this activity occurred during the year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,525,796 (31 December 2022: $930,238).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The company expect to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental regulation
The company operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Shares under options
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Dividends
No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Indemnification and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Kuoni Australia Holding Pty Ltd
Directors' report
31 December 2023

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh
Director

Laurent Kuenzle
Director

20 June 2024
Melbourne

WilliamBuck
ACCOUNTANTS & ADVISORS

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Kuoni Australia Holding Pty Ltd

As lead auditor for the audit of Kuoni Australia Holding Pty Ltd for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kuoni Australia Holding Pty Ltd and the entities it controlled during the period.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
Melbourne, 20 June 2024

Level 20, 181 William Street, Melbourne VIC 3000
+61 3 9824 8555
vic.info@williambuck.com
williambuck.com.au

Kuoni Australia Holding Pty Ltd
Contents
31 December 2023

General information

The financial statements cover Kuoni Australia Holding Pty Ltd as a consolidated entity consisting of Kuoni Australia Holding Pty Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Kuoni Australia Holding Pty Ltd's functional and presentation currency.

Kuoni Australia Holding Pty Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

L 1 28 VICTORIA STREET
CARLTON, VICTORIA, 3053
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 June 2024. The directors have the power to amend and reissue the financial statements.

Kuoni Australia Holding Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	Consolidated 2023 $	2022 $
Revenue			
Sales Revenue	3	9,054,767	3,981,468
Cost of Sales		(7,699,811)	(3,356,066)
Gross profit		1.354,956	625,402
Expenses			
Employee benefits expense		(1,354,641)	(980,025)
Depreciation and amortisation expense		(10,208)	(16,017)
Other expenses		(9,627)	(10,746)
Administration		(1,506,276)	(548,852)
Loss before income tax expense		(1,525,796)	(930,238)
Income tax expense	4	-	-
Loss after income tax expense for the year attributable to the owners of Kuoni Australia Holding Pty Ltd	12	(1,525,796)	(930,238)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Kuoni Australia Holding Pty Ltd		(1,525,796)	(930,238)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Kuoni Australia Holding Pty Ltd
Statement of financial position
As at 31 December 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents	5	134,064	37,904
Trade and other receivables	6	946,369	542,556
Prepaid Expense		71,194	53,867
Total current assets		1,151,627	634,327
Non-current assets			
Property, plant and equipment		15,713	20,151
Deferred tax	7	144,301	144,301
Total non-current assets		160,014	164,452
Total assets		1,311,641	798,779
Liabilities			
Current liabilities			
Trade and other payables	8	3,669,705	1,832,683
Financial liabilities	9	8,538,245	8,358,245
Employee benefits provisions	10	97,978	81,955
Total current liabilities		12,305,928	10,272,883
Non-current liabilities			
Employee benefits provisions		75,436	69,823
Total non-current liabilities		75,436	69,823
Total liabilities		12,381,364	10,342,706
Net liabilities		(11,069,723)	(9,543,927)
Equity			
Issued capital		500,000	500,000
Accumulated losses	12	(11,569,723)	(10,043,927)
Total deficiency in equity		(11,069,723)	(9,543,927)

The above statement of financial position should be read in conjunction with the accompanying notes

Kuoni Australia Holding Pty Ltd
Statement of changes in equity
For the year ended 31 December 2023

Consolidated	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total deficiency in equity $
Balance at 1 January 2022	500,000	-	(9,113,689)	-	(8,613,689)
Loss after income tax expense for the year	-	-	(930,238)	-	(930,238)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(930,238)	-	(930,238)
Balance at 31 December 2022	500,000	-	(10,043,927)	-	(9,543,927)

Consolidated	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total deficiency in equity $
Balance at 1 January 2023	500,000	-	(10,043,927)	-	(9,543,927)
Loss after income tax expense for the year	-	-	(1,525,796)	-	(1,525,796)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(1,525,796)	-	(1,525,796)
Balance at 31 December 2023	500,000	-	(11,569,723)	-	(11,069,723)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Kuoni Australia Holding Pty Ltd
Statement of cash flows
For the year ended 31 December 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		8,650,953	3,438,912
Government support		-	-
Payments to suppliers and employees		(8,729,023)	(3,824,264)
Borrowing costs		-	-
		(78,070)	(385,352)
Interest received		-	-
Net cash used in operating activities		(78,070)	(385,352)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,770)	(21,624)
Net cash used in investing activities		(5,770)	(21,624)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(83,840)	(406,976)
Cash and cash equivalents at the beginning of the financial year		(8,320,341)	(7,913,365)
Cash and cash equivalents at the end of the financial year		(8,404,181)	(8,320,341)

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These consolidated general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures and AASB 1 *First time adoption of Australian Accounting Standards* has been applied. An explanation of how the transition to Australian Accounting Standards - Simplified Disclosures has affected the reported financial position, financial performance and cash flows of the consolidated entity has been provided in Note 1

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kuoni Australia Holding Pty Ltd ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Kuoni Australia Holding Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 1. Significant accounting policies (continued)

Revenue recognition
The consolidated entity recognises revenue as follows:

Sales revenue
The company renders a wide range of travel services. The revenue from rendering these services is recognised in the statement of comprehensive income at the time when the significant risks and rewards are transferred to the customers. In the case of destination management activities, this is generally on the date of arrival.

Revenue comprises net sales revenues from the tour operating business (after deduction of sales taxes, goods and services tax, discounts and commissions).

Unconditional payments due from customers for satisfied performance obligations are recorded as sales receivables within other assets on the Statement of Financial Position. Customer prepayments are recorded as deferred revenue within accounts payable and accrued liabilities on Statement of Financial Position and are not recognised as revenue until the provision of services occurs. Certain contracts include multiple deliverables which are accounted for as separate performance obligations, with the transaction price allocated among the performance obligations based on their individual selling prices.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entity where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Note 1. Significant accounting policies (continued)

Tax Consolidation

Kuoni Australia Holding Pty Ltd and its controlled entities have formed an income tax consolidated group under Australian tax consolidation legislation. Kuoni Australia Holding Pty Ltd, the parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses to the extent that they are recoverable, for the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Significant accounting policies (continued)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right-of-use assets that meet the definition of investment property are measured at fair value where the consolidated entity has adopted a fair value measurement basis for investment property assets.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. Significant accounting policies (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The directors have determined that as there is no certainty that the tax losses will be available for offset against future taxable income. On this basis, deferred tax assets have not been recognised the financial statements.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	Consolidated	
	2023	**2022**
	$	**$**
Sales - external parties	5,637,500	1,572,805
Sales - related parties	3,417,267	2,408,663
	9,054,767	3,981,468

The Company operates in only one geographical region being Australia.

Note 4. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,525,796)	(930,238)
Tax at the statutory tax rate of 30%	(457,739)	(279,071)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax asset not recognised	457,739	279,071
Income tax expense	-	-

Note 5. Current assets - cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $
Cash and cash equivalents	134,064	37,904

Note 6. Current assets - trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $
Trade receivables	950,024	543,671
Less: Allowance for expected credit losses	(368)	(3,578)
	949,656	540,093
Other receivables	(3,287)	2,463
	946,369	542,556

Note 7. Non-current assets - deferred tax

	Consolidated 2023 $	Consolidated 2022 $
Deferred tax asset	144,301	144,301

Note 8. Current liabilities - trade and other payables

	Consolidated 2023 $	Consolidated 2022 $
Trade payables	3,556,748	1,727,014
Customer deposits	112,957	105,669
	3,669,705	1,832,683

Note 9. Current liabilities - borrowings

	Consolidated 2023 $	Consolidated 2022 $
Advances from related parties – other entities ultimately controlled by Fairfax Financial Holdings Limited	8,538,245	8,358,245

Note 10. Current liabilities - employee benefits provisions

	Consolidated 2023 $	Consolidated 2022 $
Employee benefits	97,978	81,955

Note 11. Equity - Contributed Equity

The company has 500,000 ordinary fully paid shares on issue (2022: 500,000). Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 12. Equity - accumulated losses

	Consolidated 2023 $	Consolidated 2022 $
Accumulated losses at the beginning of the financial year	(10,043,927)	(9,113,689)
Loss after income tax expense for the year	(1,525,796)	(930,238)
Accumulated losses at the end of the financial year	(11,569,723)	(10,043,927)

Note 13. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company are set out below:

	Consolidated 2023 $	Consolidated 2022 $
Aggregate compensation	345,727	252,862

Note 14. Contingent liabilities

The company is not aware of any matter pending that may give rise to any contingent liability.

Note 15. Related party transactions

Parent entity
Kuoni Australia Holding Pty Ltd is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 13.

Note 15. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2023	2022
	$	$
Sale of goods and services:		
Sale of goods to other related parties within the Fairfax Financial Holdings Limited Group	3,417,267	2,408,663

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2023	2022
	$	$
Current borrowings:		
Loan from other entities ultimately controlled by Fairfax Financial Holdings Limited	8,538,245	8,358,245

Terms and conditions
Loans are interest bearing at a rate of 8.6%

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 17. Economic Dependency

As at 31 December 2023 the company incurred a net loss of $1,525,796 and had net current liabilities totalling $11,154,301 which included amounts payable, secured by or guaranteed by related entities ultimately controlled by Fairfax Financial Holdings Limited totalling $8,358,245. These conditions highlight that there is a material uncertainty that may cast significant doubt on the company’s ability to continue as a going concern due to the continued trading losses and operating cash outflows. The continued economic support of the company from its ultimate parent entity is a fundamental element of the capacity of the company to meet its debts as and when they fall due and therefore a significant decision of the directors in preparing the financial report on a going concern basis.

The company has received a commitment of continuous financial support from the parent company, Travel Circle International (Mauritius) Limited. This commitment of financial support is given on the basis that Travel Circle International (Mauritius) Limited controls the ownership of the company and that the company will continue to be economically dependent upon of Travel Circle International (Mauritius) Limited for its financial and operational stability.

In the event that this support is withdrawn, this may necessitate a restatement of the valuation and classification of assets and liabilities in the statement of financial position.

Kuoni Australia Holding Pty Ltd
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh
Director

Laurent Kuenzle
Director

20 June 2024
Melbourne

WilliamBuck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of Kuoni Australia Holding Pty Ltd

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Kuoni Australia Holding Pty Ltd (the Company and its subsidiaries (the Group)) is in accordance with the *Corporations Act 2001*, including:

— giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 31 December 2023,

— the consolidated statement of profit or loss and other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information, and

— the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Material uncertainty related to going concern

We draw attention to note 17 in the financial report which indicates that the Group incurred a net loss of $1,525,796 during the year ended 31 December 2023 and, as of that date the Group's current liabilities exceeded its current assets by $11,154,301. As stated in note 17, these events or conditions, along with other matters as set forth in note 17, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
Melbourne, 20 June 2024

ASIAN TRAILS HOLDING LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

ASIAN TRAILS HOLDING LTD.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS **PAGE (S)**

			Date of appointment
Directors	:	Misitsakul Lersan (Luzi Matzig)	13 May 2008
		Laurent Künzle	13 April 2010
		Marcel Jordi Grifoll	29 June 2017
		Rishal Tanee	11 January 2019
		Devananda Naraidoo (alternate to Rishal Tanee)	11 January 2019
		Rishikesh Batoosam	15 December 2020
		Debasis Nandy	01 September 2022
		Sebastian Alex Mendonca	01 September 2022

Administrator And secretary	:	Ocorian Corporate Services (Mauritius) Limited Level 6, Tower A, 1 Exchange Square Wall Street, Ebene Republic of Mauritius, 72201
Registered office	:	Level 6, Tower A, 1 Exchange Square Wall Street, Ebene Republic of Mauritius, 72201
Auditors	:	RSM 7th Floor, Carleton Tower Hyvec Business Park Wall Street, Ebene Republic of Mauritius, 72201
Banker	:	SBI (Mauritius) Ltd 6th & 7th Floor SBI Tower Mindspace Bhumi Park, 45, Ebene Cybercity, Republic of Mauritius

The directors present their report and the financial statements of Asian Trails Holding Ltd. (the "Company") for the year ended 31 December 2023.

Principal activity

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

Results and dividend

The Company's loss for the year ended 31 December 2023 is **USD 1,296,641** (2022: USD 1,213,723).

The directors have not recommended any payment of dividend for the year under review (2022 – USD Nil).

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

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

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors

RSM have indicated their willingness to continue in office and will be automatically reappointed at the Annual Meeting.

By order of the Board

DS

Fayaz DOOBARRY, ACCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
Corporate Secretary

Date: 28 June 2024

Ocorian Corporate Services (Mauritius) Limited
Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene 72201
Republic of Mauritius

SECRETARY'S CERTIFICATE

TO THE MEMBERS OF ASIAN TRAILS HOLDING LTD.

SECRETARY'S CERTIFICATE UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT

In accordance with section 166 (d) of the Mauritius Companies' Act, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies' Act 2001 for the Audited Financial Statements for the year ended 31 December 2023.

Dated 28 June 2024

DS

Fayaz DOOBARRY, ACCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

Ocorian Corporate Services (Mauritius) Limited
Secretary

RSM
7th Floor Carleton Tower,
Hyvec Business Park,
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Mauritius

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CONFIDENTIAL

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ASIAN TRAILS HOLDING LTD.

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirement of the Mauritian Companies Act 2001.

We have audited the financial statements of Asian Trails Holding Ltd. (the "Company") set out on pages 8 to 30, which comprise the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

Other Information

The director is responsible for the other information. The other information comprises the Director's report as required by the Mauritian Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Else, we have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

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

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

Report on Other Legal and Regulatory Requirements

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have no relationship with or interests in the Company and its subsidiary other than in our capacity as auditor;
- We have obtained all the information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Use of This Report

This report is made solely to the shareholders of Asian Trails Holding Ltd. (the "Company"), as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinion we have formed.

RSM
Chartered Accountants
Ebene, Mauritius

Parvishsing Bisnauthsing, FCCA
Licensed by FRC

Date: 28 June 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 USD	2022 USD
Income			
Interest income		**2,017,516**	1,288,614
Management fee income	**5**	**521,858**	-
		2,539,374	1,288,614
Expenses			
Management fees		**632,230**	382,108
Directors' fees		**3,000**	4,500
Secretarial fees		**1,600**	2,400
Administration fees		**44,962**	29,175
Licence fees		**1,973**	1,255
Consultancy fees		**162,738**	157,500
Audit fees		**4,800**	9,600
Accountancy fees		**3,500**	-
Tax fees		-	125,722
Amortisation	**8**	**328,677**	305,592
Sundry expenses		**5,188**	24,204
Travel and entertainment expenses		**247**	57,880
Computer expenses		**477,990**	410,385
		1,666,905	1,510,321
Profit/(loss) from operating activities		**872,469**	(221,707)
Net finance cost	**7**	(**2,102,182**)	(992,016)
Loss before taxation		(**1,229,713**)	(1,213,723)
Taxation	**6**	(**66,928**)	-
Loss for the year		(**1,296,641**)	(1,213,723)
Other comprehensive income		-	-
Total comprehensive income for the year		(**1,296,641**)	(1,213,723)

The notes on pages 12 to 30 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current assets			
Intangible assets	**8**	**698,218**	901,778
Investment in subsidiaries	**9**	**28,440,540**	28,155,616
Loans and other receivables	**11**	**12,943,000**	12,889,144
		42,081,758	41,946,538
Current assets			
Loans and other receivables	**11**	**2,783,375**	1,245,166
Cash and cash equivalents		**357,521**	64,404
		3,140,896	1,309,570
Total assets		**45,222,654**	43,256,108
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	**12**	**2,271,142**	2,271,142
Retained earnings		**12,185,940**	13,482,581
		14,457,082	15,753,723
Liabilities			
Non-current liabilities			
Trade and other payables	**13**	**1,734,146**	1,434,146
Current liabilities			
Trade and other payables	**13**	**29,031,426**	26,068,239
Total equity and liabilities		**45,222,654**	43,256,108

Approved by the Board of Directors and authorised for issue on 28 June 2024

DocuSigned by:
91CB1B11FA0F404...
Director

DocuSigned by:
BDAED2EF1893436...
Director

The notes on pages 12 to 30 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Stated capital USD	Retained earnings USD	Total USD
Balance at 01 January 2022	2,271,142	14,696,304	16,967,446
Total comprehensive income for the year	-	(1,213,723)	(1,213,723)
Balance at 31 December 2022	**2,271,142**	**13,482,581**	**15,753,723**
Total comprehensive income for the year	-	(**1,296,641**)	(**1,296,641**)
Balance at 31 December 2023	**2,271,142**	**12,185,940**	**14,457,082**

The notes on pages 12 to 30 form part of these financial statements.

	2023 USD	2022 USD
Cash flows from operating activities		
Loss before taxation	**(1,229,713)**	(1,213,723)
Adjustments for:		
Amortisation (Note 8)	**328,677**	305,592
Operating loss before working capital changes	**(901,036)**	(908,131)
Change in trade and other receivables	**(1,538,209)**	(399,698)
Change in trade and other payables	**2,613,187**	905,617
Cash generated from/(used in) operating activities	**173,942**	(402,212)
Tax paid	**(66,928)**	-
Net cash generated from/ (used in) operating activities	**107,014**	(402,212)
Cash flows from investing activities		
Purchase of intangible assets (Note 8)	**(125,117)**	(185,846)
Acquisition of investments (Note 9)	**(284,924)**	(351,413)
Loan granted	**(335,000)**	(3,636,419)
Load repaid	**281,144**	-
Net cash used in investing activities	**(463,897)**	(4,173,678)
Cash flows from financing activities		
Loan advanced	**650,000**	4,589,600
Repayment of loan	-	(348,821)
Net cash generated from financing activities	**650,000**	4,240,779
Net movement in cash and cash equivalents	**293,117**	(335,111)
Cash and cash equivalents at the beginning of the year	**64,404**	399,515
Cash and cash equivalents at the end of the year	**357,521**	64,404

The notes on pages 12 to 30 form part of these financial statements.

1. GENERAL INFORMATION

Asian Trail Holding Ltd. (the "Company") is a private limited liability Company incorporated on 16 May 2007 and domiciled in the Republic of Mauritius. The Company holds a Global Business Licence under the Financial Services Act 2007 and is regulated by the Financial Services Commission. The Company's registered office is C/o Ocorian Corporate Services (Mauritius) Limited, Level 6, Tower A, 1 Exchange Square, Wall Street, Ebene, Republic of Mauritius

The Company was incorporated as a private limited company in the Republic of Mauritius on 16 May 2007. The principal activity of the Company is that of investment holding.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Company has subsidiaries and a joint venture and in accordance with IFRS Accounting standards is required to present consolidated financial statements. In accordance with the Fourteenth Schedule of the Mauritius Companies Act, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company and, in accordance with Section 211 of the Mauritius Companies Act, Content and form of financial statements, these financial statements present the financial position, financial performance and cash flow of the Company. Because the Company is a holder of a Global Business Licence and is a wholly owned subsidiary of another company, these financial statements are prepared in accordance with Mauritius Companies Act which allows the use of IFRS Accounting standards adopted by the International Accounting Standards Board (IASB), except for the standard applicable to Consolidated Financial Statements (IFRS 10).

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for financial assets and financial liabilities that are measured at fair value.

(c) Functional and presentation currency

The Company operates in an international environment and conducts most of its transactions in foreign currencies the Company has chosen to retain the United States dollar (USD) as its functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in note 4.

(e) New standards, amendments and interpretations adopted during the year

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures.

2. BASIS OF PREPARATION (CONTINUED)

(e) New standards, amendments and interpretations adopted during the year (Continued)

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (Continued)

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

Management has assessed the impact of the above standards and concluded they do not have any impact on the disclosures.

Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

Management has assessed the impact of the above standards and concluded they do not have any impact on the disclosures of these financial statements.

2. BASIS OF PREPARATION (CONTINUED)

(f) New standards, interpretations and amendments issued but not yet effective

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards, have been published but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as applicable to the Company's activities, will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards and interpretation is provided below:

Standards		**Definitions**	**Effective for accounting periods beginning on or after**
IAS 1 amendment	Presentation of Financial Statements	Classification of liabilities as current or non-current Non-current liabilities with covenants	01 January 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability	01 January 2025
IAS 7 and IFRS 7	Financial Instruments: Disclosures	Amendments regarding supplier finance arrangements	01 January 2024
IFRS 16 amendment	Leases	Lease Liability in a Sale and Leaseback	01 January 2024

Management has yet to assess the impact of the above standards and amendments on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements except for new standards, amendments and interpretations adopted during the year as disclosed in notes 2(e).

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD") which is the Company's functional currency. The USD is the currency that most faithfully reflects the underlying transactions events and conditions that are relevant to the Company.

(b) Transactions and balances

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

Current and deferred income tax

The tax expense for the year comprises of current and deferred tax. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Current and deferred income tax (Continued)

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

On disposal of an investment the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

Investment in joint venture

The Company has an interest of 49.5% in a jointly controlled entity, Thomas Cook In Destination Management (Thailand) Ltd., an unquoted company incorporated in Thailand.

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

On disposal of an investment the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised over its useful economic life of three years and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. The amortisation expense and impairment are recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(a) Classification and initial measurement

The Company classifies its financial assets in the following measurement categories, as set of in IFRS 9:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
- those to be measured at amortised cost

The basic classification and measurement category is fair value through profit or loss (FVPL), unless restrictive criteria are met for classifying the asset at fair value through other comprehensive income (FVOCI) or amortised cost. Whether an entity can classify and subsequently measure financial assets at FVOCI or amortised cost depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(b) Subsequent measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

Equity investments are classified as held at FVPL. However, at initial recognition, the Company may irrevocably elect to classify an investment in an equity instrument at FVOCI if that investment is not held for trading.

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in fair value of equity investments at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company may classify its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

(b) Subsequent measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(c) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company's loans and other receivables measured at amortised cost are subject to the expected credit loss model.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9. Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

The Company has the following non-derivative financial liabilities: trade and other payables.

(i) Trade and other payables

Trade and other payables are initially recognised at fair value, net of transaction costs incurred and subsequently at amortised cost using the effective interest method. Other payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Stated capital

Ordinary shares

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

Interest income

Interest income is recognised in profit or loss proportion basis that takes into accounts the effective yield on the assets.

Management fee income

Management fee income is recognised based on the substance of the relevant agreements with the customer. The transactions price of management fee is fixed and as specified in the contract. Therefore, revenue in the form of management fee is recognised overtime.

Expenses

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

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Critical accounting judgements in applying the Company's accounting policies

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements 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.

Determination of functional currency

The determination of the functional currency is critical since the way in which every transaction is recorded and whether exchange differences arise are dependent on the functional currency selected. In making this judgement, the directors have considered the currency of the country whose competitive forces and regulations matter, the currencies in which costs are settled, the currencies in which the funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The directors have determined the functional currency of the Company is USD.

Estimation uncertainties

At 31 December 2023, there were no estimates and assumptions that would have significant effect on the recognition and measurement of assets, liabilities, income and expenses.

5. MANAGEMENT FEE INCOME

	2023 USD	2023 USD
Management fee income	**521,858**	-

6. TAXATION

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15%. The Company's GBL1 licence has been converted to a GBL licence on 1st July 2021 and has been operating under the new tax regime. Under the new regime, the Company is able claim a 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

Tax reconciliation:

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

	2023 USD	2023 USD
Loss before taxation	**(1,229,713)**	(1,213,723)
Income tax at 15%	**(184,457)**	(182,058)
Expenses not allowed	**80,014**	96,778
Deductible items		
Annual allowance	**(12,333)**	(24,665)
Exempt income	-	(67)
Deferred tax asset	**116,776**	110,012
Income tax charge	-	-

The accumulated tax losses of **USD 1,566,334** (2022: USD 787,830) are available for set off against future income as follows:

	USD
31 December 2026	**323,167**
31 December 2027	**464,663**
31 December 2028	**778,504**
	1,566,334

7. FINANCE COST

	2023 USD	2022 USD
Interest expense	**(2,099,294)**	(999,415)
Exchange difference	**7,071**	21,657
Bank charges	**(9,959)**	(14,258)
Net finance cost	**(2,102,182)**	(992,016)

8. INTANGIBLE ASSETS

	2023	2022
Computer Software	**USD**	USD
Cost:		
At beginning of year	**2,250,498**	2,064,652
Addition during the year	**125,117**	185,846
At end of year	**2,375,615**	2,250,498
Amortisation and impairment:		
At beginning of year	**1,348,720**	1,043,128
Charge for the year	**328,677**	305,592
At end of year	**1,677,397**	1,348,720
Net book value	**698,218**	901,778

9. INVESTMENT IN SUBSIDIARIES

	2023	2022
	USD	USD
At beginning of year	**28,155,616**	27,804,203
Addition during the year	**284,924**	351,413
At end of year	**28,440,540**	28,155,616

During the year 31 December 2018, USD 2,171,142 of the share-based payment had been capitalised as investment in subsidiaries since the key management personnel directly to the subsidiaries would render the services. It is deemed a non-refundable payment made on their behalf.

Name of company	Number and type of shares held	% held	Country of Incorporation
Asian Trails Ltd (Cambodia)	9,500 ordinary shares	95%	Cambodia
Kuoni Destination Management China	N/A	100%	China
PT Asian Trails Indonesia	1,320 ordinary shares	66 %	Indonesia
Asian Trails (Laos) Ltd.	14,000 ordinary shares	70%	Laos
Asian Trails (M) Sdn. Bhd	500,000 ordinary shares	100 %	Malaysia
Asian Trails (M) Sdn. Bhd	5,000,000 redeemable and convertible preference shares	100 %	Malaysia
Asian Trails Tour Ltd.	8,500 ordinary shares	85%	Myanmar
Asian Trails Singapore Pte. Ltd.	100,000 Ordinary shares	100 %	Singapore
Asian Trails Ltd.	117,600 ordinary shares	49%	Thailand
Asian Trails Vietnam	21,000 ordinary shares	70%	Vietnam

As at 31 December 2023, the directors of the Company have assessed the recoverability of the investments and are of the opinion that the investments are to be kept at cost and no impairment to be accounted.

10. INVESTMENT IN JOINT VENTURE

	2023 USD	2022 USD
At cost:		
At start and end of the year	**250,200**	250,200
Impairment:		
At start and end of the year	(**250,200**)	(250,200)
Net book value:		
At end of year	-	-

Name of company	Number and type of shares held	% held	Country of incorporation
Thomas Cook In Destination Management (Thailand) Ltd.	118,800 Class B preference shares of THB 100 each	49.5%	Thailand

The Company has appointed Mr Lersan Misitsakul, a citizen of Thailand as nominee shareholder to hold these shares on its behalf. The Company is entitled to 34.5% voting rights and 34.5% dividend rights in the joint venture. At 31 December 2023, the investment remains impaired.

11. LOANS AND OTHER RECEIVABLES

	2023 USD	2022 USD
Royalty receivable (Note 14 (a))	**2,469,878**	1,058,956
Loan receivables from subsidiaries (Note 14 (b))	**12,943,000**	12,889,144
Other receivables	**55,078**	29,086
Prepayments	**258,419**	157,124
	15,726,375	14,134,310

The loans and other receivables consist of receivable from related party is considered to have a low risk of default and therefore, no expected credit loss (‘ECL’) was recognised as at reporting date as management consider these balances to be fully recovered.

The classification of loans and other receivables are as follows:

	2023 USD	2022 USD
Non-current assets	**12,943,000**	12,889,144
Current assets	**2,783,375**	1,245,166
	15,726,375	14,134,310

12. STATED CAPITAL

	2023 USD	2022 USD
Issued and fully paid:		
125,000 (2022 - 125,000) ordinary shares of no-par value	**2,271,142**	2,271,142

Holders of the Ordinary shares have the right to attend and to vote at any meeting of shareholders of the Company and shall have one vote per share.

13. TRADE AND OTHER PAYABLES

	2023 USD	2022 USD
Loan payable to holding entity (Note 14 (c))	**18,984,317**	18,634,317
Loan payable to subsidiaries (Note 14 (d))	**1,734,146**	1,434,146
Management fees payable to holding entity (Note 14 (e))	**5,546,872**	5,546,872
Interest payable to holding entity (Note 14 (f))	**3,209,728**	1,358,542
Management fees payable to affiliates (Note 14 (g))	**203,982**	113,034
Amount payable to subsidiary (Note 14 (h))	**201,541**	53,726
Other management fees payable	**820,960**	291,102
Accrued expenses	**64,026**	70,646
	30,765,572	27,502,385

The classification of trade and other payables are as follows:

	2023 USD	2022 USD
Non-current liabilities	**1,734,146**	1,434,146
Current liabilities	**29,031,426**	26,068,239
	30,765,572	27,502,385

14. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2023, the Company transacted with related parties. The nature, volume of transactions and balances are as follows:

(a) Royalty receivable

	2023 USD	2022 USD
Asian Trails Thailand	**1,630,597**	782,777
Asian Trails Cambodia	**208,913**	31,907
Asian Trails International Travel Services (Beijing) Ltd.	**62,294**	12,460
Travel Circle International	**53,944**	53,944
Asian Trails Tours Limited (Myanmar)	**301,208**	108,814
Asian Trails (M) Sdn Bhd	**107,900**	56,570
Asian Trails Vietnam	**100,366**	6,266
Asian Trails Singapore	-	6,218
Asian Trails Indonesia	**4,656**	-
At end of the year (Note 11)	**2,469,878**	1,058,956

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loan receivable from subsidiaries

	2023 USD	2022 USD
(i) Asian Trails (M) Sdn. Bhd (ATMA) – subsidiary		
At start of the year	**1,610,000**	950,000
Advanced during the year	-	660,000
At end of the year	**1,610,000**	1,610,000

The loan receivable from Asian Trails (M) Sdn. Bhd (ATMA), subsidiary is unsecured, interest free and receivable in 3 years.

	2023 USD	2022 USD
(ii) Asian Trails Ltd. (ATT) – subsidiary		
At start of the year	**8,137,000**	6,072,000
Advanced during the year	**200,000**	2,065,000
At end of the year	**8,337,000**	8,137,000

The loan receivable from Asian Trails Ltd. (ATT), subsidiary is unsecured, interest free and receivable in 3 years.

	2023 USD	2022 USD
(iii) Asian Trails Co., Ltd. (ATC) – subsidiary		
At start of the year	**725,000**	390,000
Advanced during the year	**30,000**	335,000
At end of the year	**755,000**	725,000

The loan receivable from Asian Trails Co., Ltd. (ATC), subsidiary is unsecured, interest free and receivable in 3 years.

	2023 USD	2022 USD
(iv) Asian Trails Tour Limited (ATM) – subsidiary		
At start of the year	**1,360,000**	1,160,000
Advanced during the year	**105,000**	200,000
At end of the year	**1,465,000**	1,360,000

The loan receivable from Asian Trails Tour Limited (ATM), subsidiary is unsecured, interest free and receivable in 3 years.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Loan receivable from subsidiaries (Continued)

	2023	2022
	USD	USD
(v) AT Lao Company Limited (ATL) – subsidiary		
At start of the year	**425,000**	250,000
Advanced during the year	-	175,000
Repayment during the year	**(9,000)**	-
At end of the year	**416,000**	425,000

The loan receivable from AT Lao Company Limited (ATL), subsidiary is unsecured, interest free and receivable in 3 years.

	2023	2022
	USD	USD
(vi) Asian Trails Singapore Ltd. (ATS) – subsidiary		
At start of the year	**272,144**	70,725
Advanced during the year	-	201,419
Repayment during the year	**(272,144)**	-
At end of the year	-	272,144

The loan advanced to Asian Trails Singapore Ltd. (ATS), has been fully repaid during the year ended 2023.

	2023	2022
	USD	USD
(vii) Asian Trails International Travel Services (Beijing) Ltd. (ATCN) - subsidiary		
At start and end of the year	**360,000**	360,000

The loan advanced to Asian Trails International Travel Services (Beijing) Ltd. (ATCN), subsidiary is unsecured, interest free and receivable in 3 years.

	2023	2022
	USD	USD
Loan receivables from subsidiaries		
At end of the year (Note 10)	**12,943,000**	12,889,144

(c) Loan payables to holding entity

	2023	2022
	USD	USD
(i) Travel Circle International - holding entity		
At start of the year	**18,634,317**	14,044,717
Advanced during the year	**350,000**	4,589,600
At end of the year (Note 12)	**18,984,317**	18,634,317

The loan payable to Travel Circle International - holding entity is unsecured, interest free and repayable in 1 year.

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Loan payable to subsidiaries

	2023	2022
	USD	USD
(i) PT Asian Trails Indonesia (ATI) – subsidiary		
At start of the year	**295,000**	625,000
Advanced during the year	**300,000**	-
Repayment during the year	-	(330,000)
At end of the year	**595,000**	295,000

The loan payable to PT Asian Trails Indonesia (ATI) – subsidiary, is unsecured, carries interest at 6-month USD LIBOR plus margin of 1% per annum and are repayable by 01 January 2023.

	2023	2022
	USD	USD
(ii) Asian Trails Vietnam (ATV) – subsidiary		
At start of the year	**1,139,146**	1,157,967
Repayment during the year	-	(18,821)
At end of the year	**1,139,146**	1,139,146

The loan payable to Asian Trails Vietnam (ATV)- subsidiary, is unsecured, carries interest at 6-month USD LIBOR plus margin of 1% per annum and are repayable in 3 years.

	2023	2022
	USD	USD
Loan payable to subsidiaries		
At end of the year (Note 12)	**1,734,146**	1,434,146

(e) Management fees payable to holding entity

	2023	2022
	USD	USD
(i) Travel Circle International - holding entity		
Management fees	**5,546,872**	5,546,872
At end of the year (Note 12)	**5,546,872**	5,546,872

(f) Interest payable to holding entity

	2023	2022
	USD	USD
(i) Travel Circle International - holding entity		
Interest payable	**3,209,728**	1,358,542
At end of the year (Note 12)	**3,209,728**	1,358,542

14. RELATED PARTY TRANSACTIONS (CONTINUED)

(g) Management fees payable to affiliates

	2023 USD	2022 USD
Thomas Cook India Ltd.	**185,454**	97,414
SOTC Travel Ltd.	**16,880**	14,558
Jardine Travel Solution	**16,498**	1,062
At end of the year (Note 12)	**218,832**	113,034

(h) Amount payable to subsidiary

	2023 USD	2022 USD
Asian Trails Ltd. (ATT)	**201,541**	53,726
At end of the year (Note 12)	**201,541**	53,726

(i) Administrator – Ocorian Corporate Services (Mauritius) Limited

(i) Transaction during the year	**2023 USD**	2022 USD
Directors' fees	**3,000**	4,500
Domiciliation and compliance fees	**1,600**	2,400
Administration fees	**44,962**	29,175
Accounting fees	**3,500**	-
Sundry expenses	**1,688**	-
	54,750	36,075

(ii) Balance as at year end	**2023 USD**	2022 USD
Administration fees	**-**	249
Accounting fees	**585**	-
	585	249

15. FINANCIAL RISK MANAGEMENT

Introduction and preview

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

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

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

Risk management is carried out by the Board of directors through board minutes. The Company provides principles for the overall risk management.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

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

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

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

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

Financial instruments not at fair value

The carrying amounts of loans and other receivables, cash and cash equivalents and trade and other payables approximate their fair values and hence no fair value table has been disclosed.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter-parties fail to perform pursuant to the terms of their obligations to the Company. At the reporting date, the maximum exposure of the Company to credit risk was as follows:

	2023 USD	2022 USD
Loans and other receivables	**15,467,956**	13,977,186
Cash and cash equivalents	**357,521**	64,404
	=========	=========

Prepayment of **USD 258,419** (2022: USD 157,124) have not been included.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

The Company has adopted the credit risk management approach of IFRS 9 as described in note 3. Accordingly, the identified impairment loss on the loans and other receivables and cash and cash equivalents were immaterial.

Liquidity risk

This refers to availability of funds for the Company to meet its financial obligations as they fall due. The Company pays out its obligations from finance received from its related companies. Thus, it is not exposed to liquidity risk.

Contractual cash flows

The following are the contractual maturities of financial liabilities:

At 31 December 2023

Non-derivative financial liabilities	**Carrying amount USD**	**Within 1 year USD**	**On demand USD**	**More than 1 year USD**
Trade and other payables	**30,765,572**	**2,914,981**	**26,116,981**	**1,734,146**
	========	========	========	========

At 31 December 2022

Non-derivative financial liabilities	Carrying amount USD	Within 1 year USD	On demand USD	More than 1 year USD
Trade and other payables	27,502,386	70,646	25,997,594	1,434,146
	========	========	========	========

Interest rate risk

The Company's finance and operating expenses are met by equity finance and advances from its related companies. These advances are unsecured, interest free with no fixed terms of repayment, and as such the Company is not exposed to any such risk.

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Financial asset	**Carrying amount**	
	2023 USD	2022 USD
Variable rate instruments		
Cash and cash equivalents	**357,521**	64,404
	========	========

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis for variable rate instruments

No sensitivity analysis for variable rate instruments has been disclosed since interest income earned for the year ended 31 December 2023 was insignificant.

Currency risk

The Company is exposed to foreign currency risk on its transactions that are denominated in currencies other than the USD.

Currency profile

The currency profile of the Company’s financial assets and liabilities is summarised as follows:

	Financial assets 2023 USD	**Financial liabilities 2023 USD**	Financial assets 2022 USD	Financial liabilities 2022 USD
United States Dollars	**15,825,477**	**30,165,950**	14,134,310	27,223,131
Euro	-	**397,288**	-	167,284
INR	-	**202,334**	-	111,971
	15,825,477	**30,765,572**	14,134,310	27,502,386

Intangible assets **USD 698,218** (2022 – USD 1,021,524) investment in subsidiaries **USD 28,440,540** (2022 – USD 28,155,616**)** and prepayments **USD 258,419** 2022 – USD 157,124) have not been included in financial assets.

Currency sensitivity analysis

The following table indicates the approximate change in the Company’s reserves in response to an approximate, reasonable possible change in the foreign exchange rates by 5% at the reporting date. The analysis is performed on the same basis for 2023.

		Change in reserves
	USD	USD
	2023	2022
Euro	**19,864**	8,364
INR	**10,117**	5,599

16. CAPITAL MANAGEMENT

The Company actively and regularly reviews and manages its capital position to maintain a balance between its liability and equity level.

The management of the Company’s capital position is undertaken by the management team of its holding Company. The management team ensures that the Company is adequately capitalised to meet economic and regulatory requirements. Capital injections and repatriations of funds are executed in a timely fashion, working closely with the business and infrastructure groups. The management team meets on a regular basis and manages capital by taking into account key considerations, which may include business developments, regulatory requirements, gap profitability and market movements such as foreign exchange and interest rate.

17. HOLDING AND ULTIMATE HOLDING ENTITIES

The holding entity of the Company is Travel Circle International (Mauritius) Limited, an unquoted company incorporated in Mauritius and the ultimate holding entity is Fairfax Financial Holding Limited, a listed company incorporated in Canada.

18. EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date which require amendments to or additional disclosures in the financial statements for the year ended 31 December 2023.

2023 Auditor's Report

of

ASIAN Trails International Travel Services (Beijing) Ltd.

DSK [2024] No. A06-007

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Auditor's Report

DSK [2024] No. A06-007

To all shareholders of ASIAN Trails International Travel Services (Beijing) Ltd.,

I. Audit Opinions

We have audited the attached financial statements of ASIAN Trails International Travel Services (Beijing) Ltd. (hereinafter referred to as the Company), including the Balance Sheet as of December 31, 2023, and the Income Statement, the Cash Flow Statement and the Statement of Change in Owners' Equity for the year then ended, and the Notes to Financial Statements.

In our opinions, the attached financial statements have been prepared in accordance with the Accounting System for Business Enterprises in all significant aspects, and have given fair views on the Company's financial position as of December 31, 2023, and the operating results and cash flows for the year then ended.

II. Basis for Forming Audit Opinions

We conducted an audit in accordance with the Chinese Certified Public Accountants Auditing Standards. Our responsibilities under these Standards are further set forth in the Section "CPA's Responsibility for Auditing Financial Statements" hereunder. In accordance with the Code of Ethics for Chinese Certified Public Accountants, we are independent of the Company, and have fulfilled other responsibilities in respect of professional ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinions.

Ⅲ. Emphasized Matters—Basis of Preparation and Limitations on Use

北京东审会计师事务所（特殊普通合伙）

We remind financial statement users to pay attention to the explanations regarding the basis of preparation in Note 2 of the financial statements. The individual financial statements of ASIAN Trails International Travel Services (Beijing) Ltd. are prepared for the purpose of tax and business registration declarations. Therefore, the financial statements may not be suitable for other purposes. Accordingly, this paragraph does not affect the previously issued audit opinion.

IV. Other information

The Company's management is responsible for other information. Other information includes the information under the annual report, but excludes the financial statements and our auditor's report.

Our audit opinions in respect of the financial statements exclude other information, and we do not express any form of authentication conclusions on other information.

In consideration of our audit on the financial statements, our responsibility is to review other information, and consider whether other information is significantly inconsistent with the financial statements or the circumstances in our knowledge in the audit process, or has material misstatement or not.

Based on our audit, if we confirm that other information has material misstatement, we shall report such facts. In this respect, we have nothing to report.

V. Responsibilities of the Management and the Executives on the Financial Statements

The Company's management (hereinafter referred to as the management) is responsible for preparing the financial statements that give fair view in accordance with the Accounting System for Business Enterprises, and designing, executing and maintaining necessary internal control, so that the financial statements are free from material misstatement, whether due to fraud or errors.

In preparation of the financial statements, the management is responsible for evaluating the Company's ability of going concern, disclosing the matters related to going concern (if applicable), and utilizing the going concern assumptions, unless the management plans to liquidate the Company, or terminate operation or does not have any other practical choices.

The executives are responsible for supervising the process of the Company's financial reporting.

VI. CPA's Responsibility for Auditing Financial Statements

Our goal is to obtain reasonable assurance as to whether the financial statements in the whole are free from material misstatement, whether due to fraud or errors, and to issue the auditor's report including the audit opinions. The reasonable assurance is at high level, but cannot guarantee that audit in line with the auditing standards will always discover certain material misstatement if any. Misstatement might be caused by fraud or errors. If it is reasonably anticipated that misstatement might independently or together affect the economic decisions made by the users of the financial statements based on the financial statements, then, it is generally assumed that the misstatement is material.

In the course of audit performed in accordance with the auditing standards, we make our professional judgment and maintain the professional skepticism. Meanwhile, we also perform the following work:

(I) To identify and evaluate the material misstatement risks of the financial statements whether due to fraud or errors, design and implement the audit procedures to cope with these risks, and obtain sufficient and appropriate audit evidences as the basis for the audit opinions. As fraud might involve collusion, forging, intentional omission or false statement or overrides the internal control, the risk in failure to discover the material misstatement due to fraud overrides the risk in failure to discover the material misstatement due to errors.

(II) To understand the audit related internal control, in order to design appropriate procedures, but not for the purpose of expressing opinions on the effectiveness of the internal control.

(III) To evaluate the appropriateness of the accounting policies used by the management, and the reasonableness of the accounting estimates and relevant disclosures made by the management.

(IV) To make conclusions on appropriateness of the going concern assumptions used by the management, and make conclusions on material uncertainty of the matters or circumstances that are likely to materially challenge the Company's ability of going concern based on the obtained audit evidences at the same time. If our conclusions hold that there is material uncertainty, the auditing standards require we remind the users of the statements of the relevant disclosures in the financial statements in our auditor's report; if the disclosures are insufficient, we should express unqualified opinions. Our conclusions are based on the information available as of the date of the auditor's report. However, the future matters or circumstances might disqualify the Company from going concern.

(V) To evaluate the overall presentation, structure and contents (including disclosures) of the financial statements, and evaluate whether the financial statements give fair view on the relevant transactions and matters.

We have communicated the planned audit scope, schedule and material audit discoveries with the executives, including the internal control defects that have been identified by us in the course of audit and should be paid attention to.

This audit report is not intended for use in securities markets such as IPOs, bond issuances, and the New Third Board. It is also not suitable for use in financing or investment activities with qualification requirements for securities. Any consequences arising from improper use beyond the intended scope are not the responsibility of the registered accountants and the accounting firm conducting this audit.

Beijing Dong Shen Certified Public Accountants
LLP (Limited Liability Partnership)
Beijing, China
January 24, 2024

Chinese CPA: 中国注册会计师 110004910004

Chinese CPA: 中国注册会计师 110003950038

Balance Sheet

December 31, 2023

Audited entity name:ASIAN Trails International Travel Services (Beijing) Ltd. Currency: Rmb

Items	Notes	Current Year	Previous Year	Items	Notes	Current Year	Previous Year
Current Assets:				**Currents Liabilities:**			
Cash and cash equivalents	1	1,780,190.30	916,305.25	Short Term Borrowing	35	2,953,192.00	2,502,612.00
Trading financial assets	2			Trading financial liabilities	36		
Derivative financial assets	3			Derivative financial liabilities	37		
Notes receivable	4			Notes payable	38		
Accounts receivable	5	865,770.15	62,406.67	Accounts payable	39	1,973,791.41	199,670.10
Receivable financing	6			Advance receipt	40	1,130,796.18	452,606.96
Prepayments	7	111,274.55	123,500.04	Contract liabilities	41		
Other receivables	8	247,863.20	266,472.33	Payroll and employee benefits	42	115,835.68	
Inventories	9			Taxes and dues payable	43	24,217.68	3,969.65
Contract assets	10			Other payables	44	958,912.76	1,145,091.97
Hold for sale assets	11			Held for sale debt	45		
Non-current assets due within one year	12			Non-current liabilities due within one year	46		
Other current assets	13			Other current liabilities	47		
Total Current Assets	14	3,005,098.20	1,368,684.29	**Total Current Liabilities**	48	7,156,745.71	4,303,950.68
Non-current Assets:				**None current liabilities:**			
Debt investment	15			Long-term loans	49		
Other debt investment	16			Bonds payable	50		
Long-term receivable	17			Bonds payable-Preferred Stock	51		
Long-term equity investments	18	210,000.00	210,000.00	Bonds payable-Perpetual debt	52		
Other Equity Instruments Investment	19			Lease liabilities	53		425,089.00
Other non-current financial assets	20			Long - Term Payables	54		
Investment Properties	21			Provisions	55		
Fixed assets	22		10,336.00	Deferred income	56		
Construction in progress	23			Deferred income tax liabilities	57		
Productive biological assets	24			Other non-current liabilities	58		
Oil and gas assets	25			**Total Non-current Liabilities**	59	-	425,089.00
Right to use assets	26		416,548.00	**Total Liabilities**	60	7,156,745.71	4,729,039.68
Intangible assets	27			**Owners'/Shareholders' Equity:**			
Development expenditures	28			Paid in capital	61	8,000,000.00	6,000,000.00
Goodwill	29			Other equity instruments	62		
Long-term prepaid assets	30			Other equity instruments-Preferred Stock	63		
Deferred income tax assets	31	2,643,319.52	2,643,319.52	Other equity instruments-Perpetual debt	64		
Other non-current assets	32			Capital Reserve	65	1,606.36	1,606.36
				Less:Retained stock	66		
				Other comprehensive income	67		
				Special reserve	68		
Total Non-current Assets	33	2,853,319.52	3,280,203.52	Surplus reserve	69	248,500.50	248,500.50
				Undistributed profit	70	-9,548,434.85	-6,330,258.73
				Total Owners'/Shareholders' Equity	71	-1,298,327.99	-80,151.87
Total Assets	34	5,858,417.72	4,648,887.81	**Total Liabilities & Owners' Equity**	72	5,858,417.72	4,648,887.81

公司法定代表人: 张小琳印　　主管会计工作负责人: 丁志琴印　　会计机构负责人: 丁志琴印

Income Statement

December 31, 2023

Audited entity name: ASIAN Trails International Travel Services (Beijing) Ltd.

Currency: Rmb

Items	Notes	Current Year	Previous Year
I.Operating revenue	1	5,684,573.63	110,106.41
Less: Operating Costs	2	4,785,011.88	87,419.00
Taxes and Surcharges	3	1,716.06	
Selling expenses	4	112,757.08	84,525.79
Administration Expense	5	3,737,266.14	3,209,726.10
R&D expenses	6		
Financial expenses	7	265,998.59	463,514.93
Including: Interest expense	8		
Interest income	9	1,288.60	2,229.77
Add:Other Incomes	10		
Investment income (loss expressed with "-")	11		
Including:Income from associates and joint ventures	12		
Derecognition gains on financial assets measured at amortised cost (loss expressed with	13		
Net open hedge income	14		
Income from changes in fair value (loss expressed with "-")	15		
Credit impairment loss (loss expressed with "-")	16		
Impairment of assets (loss expressed with "-")	17		
Disposal of assets	18		
II.Operating income (loss expressed with "-")	19	-3,218,176.12	-3,735,079.41
Add:Non-operating income	20		
Less:Non-operating expense	21		
III.Total income	22	-3,218,176.12	-3,735,079.41
Less:Income Tax Expense	23		-2,643,319.52
IV.Net income (loss expressed with "-")	24	-3,218,176.12	-1,091,759.89
Continuous operation Profit/loss	25		
Terminate the operation Profit/loss	26		
V.Each component of other comprehensive income, net of income tax effect	27	-	-
1. Other comprehensive income which will not be reclassified subsequently to profit or loss	28	-	-
1.1 As a result of remeasurement of net defined benefit plan liability or asset	29		
1.2 Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss	30		
1.3 Changes in fair value of other equity instruments investment	31		
1.4 Changes in the fair value of corporate credit risk	32		
1.5 Other	33		
2. Other comprehensive income which will be reclassified subsequently to profit or loss when specific conditions are met	34	-	-
2.1 Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit and loss when specific conditions	35		
2.2 Changes in the fair value of other debt investments	36		
2.3 The amount of financial assets reclassified into other comprehensive income	37		
2.4 Other debt investment credit impairment provisions	38		
2.5 Cash flow hedge reserve	39		
2.6 Translation differences arising on translation of foreign currency financial statements	40		
2.7 Other	41		
VI.Total comprehensive earning	42	-3,218,176.12	-1,091,759.89
VII.Earning Per Share	43		
1.Primary earnings per share	44		
2.Diluted earnings per share	45		

公司法定代表人： 张小琳印　　主管会计工作负责人： 丁志琴印　　会计机构负责人： 丁志琴印

Cash Flow Statement

December 31, 2023

ASIAN Trails International Travel Services (Beijing) Ltd. Audited entity name:　　Currency: Rmb

Items	Notes	Current Year	Previous Year
I. Cash Flows From Operating Activities			
Cash received from sale of goods or rendering of services	1	5,559,399.37	101,778.41
Refund of tax and levies	2	-	
Other cash received relating to operating activities	3	11,685,418.23	1,041,085.94
Sub-total of cash inflows from operating activties	4	17,244,817.60	1,142,864.35
Cash paid for goods and services	5	3,010,890.57	78,130.98
Cash paid to and on behalf of employees	6	2,009,912.75	2,312,746.95
Payments of all types of taxes	7	1,716.06	-
Other cash paid relating to operating activities	8	13,350,286.80	1,167,056.94
Sub-total of cash outflows from operating activties	9	18,372,806.18	3,557,934.87
Net cash flows from operating activities	10	-1,127,988.58	-2,415,070.52
II. Cash Flows From Investing Activities			
Cash received from recovery of investments	11		
Cash received from returns on investments	12		
Net cash received from disposal of fixed assets, intangible assets & other long-term ass	13		
Net cash from disposal of Subsidiary and other operating entitie	14		
Other cash received relating to investing activities	15		
Sub-total of cash inflows from investing activities	16	-	-
Cash paid to acquire fixed assets, intangible assets & other long-term assets	17	-	646,918.00
Cash paid to acquire investments	18		
Net cash obtained from subsidiary and other operating entities	19		
Other cash payments relating to investing activities	20		
Sub-total of cash outflows from investing activities	21	-	646,918.00
Net cash flows from investing activities	22	-	-646,918.00
III.Cash Flows From Financing Activities			
Cash received from capital contribution	23	2,000,000.00	2,000,000.00
Cash received from borrowings	24		
Other cash received relating to financing activities	25		
Sub-total cash flows from financing activities	26	2,000,000.00	2,000,000.00
Cash repayments of amounts borrowed	27		
Cash payments for interest expenses and distribution of dividends or profit	28		
Other cash payments relating to financing activities	29		
Sub-total cash flows from financing activities	30	-	-
Net cash flows from financing activities	31	2,000,000.00	2,000,000.00
IV. Effect Of Foreign Exchange Rate Changes On Cash	32	-8,126.37	437,168.00
V. Net Increase/(Decrease) In Cash And Cash Equivalents	33	863,885.05	-624,820.52
Add: Cash and cash equivalents at the beginning of the year	34	916,305.25	1,541,125.77
VI.Cash and cash equivalents at the end of the year	35	1,780,190.30	916,305.25

公司法定代表人：张小琳印　　主管会计工作负责人：丁志琴印　　会计机构负责人：丁志琴印

Statement of Changes in Equity

December 31, 2023

Audited entity name:ASIAN Trails International Travel Services (Beijing) Ltd.

Currency: Rmb

Items	Current Year										
	Paid in capital	Other equity instruments			Capital surplus	Less: Treasury Stock	Other comprehensive income	Special reserve	Surplus Reserve	Undistributed Profits	Total owner's equity
		Preferred Stock	Perpetual debt	Others							
I. Closing balance last year	6,000,000.00				1,606.36				248,500.50	-6,330,258.73	-80,151.87
Add:Change in accounting policy											-
Corrections of prior period errors											-
other											-
II. Opening balance this year	6,000,000.00	-	-	-	1,606.36	-	-	-	248,500.50	-6,330,258.73	-80,151.87
III. Fluctuation amount this year (decrease expressed with "-")	2,000,000.00	-	-	-	-	-	-	-	-	-3,218,176.12	-1,218,176.12
1.Total comprehensive income										-3,218,176.12	-3,218,176.12
2.Owners' capital of input and decrease	2,000,000.00	-	-	-	-	-	-	-	-	-	2,000,000.00
2.1.Owner of the common shares	2,000,000.00										2,000,000.00
2.2.Holders of other equity instruments invested capital											-
2.3.Shares included in the owners' equity										-	-
2.4.Others											-
3.Profit distribution	-	-	-	-	-	-	-	-	-	-	-
3.1.Appropriation of surplus reserve											-
3.2.Distribution to owners (shareholders)											-
3.3.Others											-
4.Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-
4.1.Capital surplus to increase capital											-
4.2.Surplus reserve to increase capital											-
4.3.Surplus reserve making up losses											-
4.4 Set a change in the benefit plan to carry forward retained earnings											-
4.5 Other comprehensive income carry-over retained earnings											-
4.6.Others											-
IV.Closing balance this year	8,000,000.00	-	-	-	1,606.36	-	-	-	248,500.50	-9,548,434.85	-1,298,327.99

公司法定代表人：　　　　主管会计工作负责人：　　　　会计机构负责人：

Statement of Changes in Equity

December 31, 2023

Audited entity name:ASIAN Trails International Travel Services (Beijing) Ltd.

Currency: Rmb

Items	Prior Year										
	Paid in capital	Other equity instruments			Capital surplus	Less: Treasury Stock	Other comprehensive income	Special reserve	Surplus Reserve	Undistributed Profits	Total owner's equity
		Preferred Stock	Perpetual debt	Others							
I. Closing balance last year	4,000,000.00				1,606.36				248,500.50	-5,238,498.84	-988,391.98
Add:Change in accounting policy											-
Corrections of prior period errors											-
other											-
II. Opening balance this year	4,000,000.00	-	-	-	1,606.36	-	-	-	248,500.50	-5,238,498.84	-988,391.98
III. Fluctuation amount this year (decrease expressed with "-")	2,000,000.00	-	-	-	-	-	-	-	-	-1,091,759.89	908,240.11
1.Total comprehensive income										-1,091,759.89	-1,091,759.89
2.Owners' capital of input and decrease	2,000,000.00	-	-	-	-	-	-	-	-	-	2,000,000.00
2.1.Owner of the common shares	2,000,000.00										2,000,000.00
2.2.Holders of other equity instruments invested capital											-
2.3.Shares included in the owners' equity											-
2.4.Others											-
3.Profit distribution	-	-	-	-	-	-	-	-	-	-	-
3.1.Appropriation of surplus reserve											-
3.2.Distribution to owners (shareholders)											-
3.3.Others											-
4.Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-
4.1.Capital surplus to increase capital											-
4.2.Surplus reserve to increase capital											-
4.3.Surplus reserve making up losses											-
4.4 Set a change in the benefit plan to carry forward retained earnings											-
4.5 Other comprehensive income carry-over retained earnings											
4.6.Others											-
IV.Closing balance this year	6,000,000.00	-	-	-	1,606.36	-	-	-	248,500.50	-6,330,258.73	-80,151.87

公司法定代表人： 张小琳印

主管会计工作负责人： 丁志琴印

会计机构负责人： 丁志琴印

ASIAN Trails International Travel Services (Beijing) Ltd.

Notes to Financial Statements

The year in 2023

(Unless otherwise especially specified, the amounts are stated in RMB)

I. Company Profile

ASIAN Trails International Travel Services (Beijing) Ltd. (hereinafter referred to as the “Company”) was established on September, 2010, Uniform social credit code for enterprises: 91110105717884659B; Type of Company: limited liability company; Domicile: Room 810, 8th Floor, 37 Maizidian Street, Chaoyang District, Beijing; Registered Capital: RMB 8,000,000.00; Operation Period: September 16, 2010, to September 15, 2060; Legal Representative: Zhang Xiaolin.

Business scope: Domestic tourism business, Inbound tourism business, Conference Services (Market entities independently select business projects and carry out business activities in accordance with the law; domestic travel business, inbound travel business, and projects subject to approval in accordance with the law shall carry out business activities in accordance with the approved content after the approval of relevant departments; they shall not engage in the prohibition of national and municipal industrial policies and Operational activities of restricted projects.)

II. Preparation Basis of Financial Statements

(I) Preparation Basis

The individual financial statements (excluding the consolidated financial statements) are prepared in accordance with the 'Enterprise Accounting Standards - Basic Standards' issued by the Ministry of Finance, as well as specific accounting standards, application guidelines, interpretations, and other relevant regulations subsequently issued and revised (collectively referred to as the 'Enterprise Accounting Standards') related to the preparation of individual financial statements.

The company prepares financial statements solely for the purpose of tax declaration and business registration of ASIAN Trails International Travel Services (Beijing) Ltd.. Therefore, the financial statements may not be suitable for other purposes.

(II) Evaluation of Sustainable Operation Ability

The financial statements are presented based on the assumption of going concern. The Company has not engaged in any events or circumstances that challenge the Company's ability of going concern over the 12 months at the end of the reporting period.

III. Important Accounting Policy and Accounting Estimation of the Company

（I）Statements on Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises, and have given true and complete views on the Company's financial position, and other information related to operating results and cash flows.

（**II**）Accounting period

The Company's accounting year begins on January 1 and ends on December 31 of every Gregorian calendar year.

（**III**）Operating cycle

The company considers 12 months as the standard to classify the liquidity of assets and liabilities.

（IV）Reporting currency

(V) Bookkeeping Base and Pricing Principle

According to related regulations of ASBE, the company's accounting shall be on the accrual basis. Except for certain financial instruments and Investment Properties, the financial statement shall adopt historical cost as the measurement basis.

(VI) Recognizing Standard of Cash and Cash Equivalent

The Company cash and cash equivalents include the cash on hand, the Bank balances available for payment at any time, and the Company's short-term (Usually means maturity within three months since the acquisition date), high-liquidity investments that are readily convertible into cash of known amounts and have insignificant risks of change in value.

(VII) Foreign Currency Business and Foreign Currency Statement Translation

1. Foreign Currency Business

At initial recognition of foreign-currency business transaction, bookkeeping shall be made in RMB converted with the spot exchange rate on the occurring date of transaction as the conversion exchange rate.

On balance sheet date, the foreign-currency monetary items shall be converted at the spot exchange rate on balance sheet date, any and all balances of exchange shall be accounted into current profit or loss except for the balance of exchange incurred from the special borrowing in foreign currency related to purchase or construction of assets that meet capitalization conditions.

Any foreign-currency non-monetary items measured in historical cost shall still be converted at the spot exchange rate on transaction occurring date; Any foreign-currency non-monetary item measured in fair value shall be converted at the spot exchange rate on the date of recognizing fair value, the translation difference shall be accounted into current profit or loss or recognized as other comprehensive income.

2. Foreign Currency Financial Statement Translation

The items of assets and liabilities in balance sheet shall be converted at the spot exchange rate on balance sheet date; other items of owner's equities than the item of "Undistributed Profit" shall be converted at the spot exchange rate at occurrence. The items of incomes and expenses in profit statement shall be converted at the spot exchange rate on transaction occurrence date. The translation difference of foreign-currency financial statements generated from the conversion above shall be accounted into other comprehensive income.

(VIII) Long-Term Equity Investment

1. Judging Standard of Control, Joint Control and Major Influence

Control means the power that the investor has over the invested unit, the realizable return entitled through participation in the related activities of the invested unit, and the ability to use its power over the invested unit to affect the amount of its return. The equity investment of the company can control over the invested unit means the investment to subsidiary

Joint control means the joint control over certain arrangement according to related agreement, and the related activities of such arrangement must go through unanimous consent by the participating parties sharing control before being decided. If the company and other co-operative party jointly impose joint control over the invested unit and are entitled to rights over the net assets of the invested unit, the invested unit shall be the company's co-operative enterprise.

Major influence means the power of participating the decision making over the financial and operating decision making of the invested unit, but it can't control nor jointly control along with other party the formation of such policies. If the company is able to impose major influence on the invested unit, then the invested unit shall be the company's joint operation enterprise.

2. Recognition of Initial Investment Cost

(1) The merging party's shares in the book value of the merged party's owner's equity in the consolidated financial statement of the final controlling party on the date of merger that is formed through merger of enterprises under the same control and with consideration of merger in form of the merging party paying cash, transferring non-cash assets, assuming debts or issuing equity securities shall be its initial investment cost. The difference between the initial investment cost of long-term equity investment and the book value of paid consideration of merger or book value of issued shares shall be used to adjust the capital surplus; if the capital surplus is insufficient for offsetting, the retained earnings shall be adjusted.

(2) If it's formed from merger of enterprises not under the same control, the fair value of paid consideration of merger on the date of purchase shall be its initial investment cost.

(3) Besides the formation through merger of enterprises: if it's obtained by paying cash, its initial investment cost shall be the actually paid price payment; if it's obtained by issuing equity securities, its initial investment cost shall be the fair value of the issued equity securities; if it's obtained by debt restructuring, its initial investment cost shall be recognized according to the "ASBE No.12 – Debt Restructuring"; if it's obtained by exchange of monetary assets, its initial investment cost shall be recognized according to "ASBE No.7 – Exchange of Non-monetary Assets".

3. Method of Subsequent Measurement and Recognition of Profit or Loss

(1) Accounting of Long-Term Equity Investment

Any long-term equity investment that can implement control over the invested unit shall be accounted in cost method; any long-term equity investment to joint operation enterprise or co-operative enterprise shall be accounted in equity method.

Any investment to subsidiary shall be accounted in cost method; any investment to joint operation enterprise or co-operative enterprise shall be accounted in equity method.

For long-term equity investment accounted in cost method, except for the actually paid price payment at the time of obtaining investment or the announced but not yet distributed cash dividends or profit included in consideration, the cash dividends or profit announced of distribution by the invested unit shall be recognized as investment return and accounted into current profit or loss.

For any long-term equity investment accounted in equity method, if the initial investment cost is higher than the entitled shares of the fair value of the recognizable net assets of the invested unit at the time of investment, the investment cost of long-term equity investment shall not be adjusted; if the initial investment cost is less than the entitled shares of the fair value of the recognizable net assets of the invested unit at the time of investment, the difference shall be accounted into current profit or loss, and the cost of long-term equity investment shall be adjusted.

When adopting equity method for accounting, the investment income and other comprehensive income shall be recognized respectively based on the entitled or assumed shares in the net profit or loss or other comprehensive income realized by the invested unit, and the book value of the long-term equity investment shall be adjusted at the same time; the book value of the long-term equity investment shall be reduced accordingly based on the calculated and entitled part of the profit or cash dividends announced of distribution by the invested unit; for other changes of owner's equity of the invested unit than net profit or loss, other comprehensive income and profit distribution (or "Change of Other Owner's Equity"), the company shall adjust the book value of long-term equity investment and recognize the capital surplus (other capital surplus).

When recognizing the entitled shares in the invested unit's net profit or loss, other comprehensive income and change of other owner's equities, the invested unit's net profit and other comprehensive income shall be adjusted before recognition on the basis of the fair value of the invested unit's recognizable net assets at the time of investment, and based on the company's accounting policy and accounting period.

The company's obligation to any net loss incurred by co-operative enterprise or joint operation enterprise, besides the assumption of obligation for extra loss, shall be limited to the book value of long-term equity investment as well as other long-term equities essentially constituting net investment to the co-operative enterprise or joint operation enterprise being reduced to zero. If the co-operative enterprise or joint operation enterprise realizes net profit later, the company shall recover recognition of entitled shares of income after using entitled shares of income to cover the unrecognized shares of loss.

(2) Impairment testing method and impairment reserve provisioning method. For the method to provision asset impairment over investments to subsidiary, co-operative enterprise and joint operation enterprise, please refer to notes III (XII) "Impairment of Long-term Assets".

(IX) Fixed Asset

Fixed assets refer to the tangible assets that are held for the purposes of commodity production, labor service rendering, lease and operation management, and have useful life of more than one year.

1. Initial measurement of the fixed assets

（1）The costs of the purchased fixed asset include the purchase price, the relevant taxes, and the transportation costs, the handling charges, the installation costs and the professional service fees incurred before the fixed assets are ready for their intended use.

（2）If payment for the purchase price of the fixed assets is delayed beyond the normal credit conditions, and is substantially of financing nature, the costs of the fixed assets are determined at the present value of the purchase price.

（3）The costs of the self-built fixed assets are composed of the necessary expenditures incurred before such assets are ready for their intended use.

（4）As to the fixed assets acquired by the debtors in the debt restructuring for debt repayment, their entry value is determined at their fair value, and the difference between the carrying amounts of the restructured debts and the fair value of such fixed assets for debt repayment is recognized in the current profit and loss.

2. Subsequent measurement of the fixed assets

（1）Depreciation method of the fixed assets: from the next month after the fixed assets are ready for their intended use, the depreciation of the fixed assets is calculated using the **straight-line method** over the useful life. The useful life, estimated net residual value and the annual depreciation rate of the fixed assets are as follows:

Type of asset	Useful life	Residual value rate (%)	Annual depreciation rate (%)
Office furniture	5	0.00	20.00
Electronic equipment	3、5	0.00	20.00、33.33

If the subsequent expenditures of the fixed assets meet the fixed asset recognition conditions, such expenditures shall be recognized in the costs of the fixed assets, and the carrying amounts of the replaced fixed assets shall be deducted at the same time; if the fixed asset recognition conditions are not met, such expenditures shall be recognized in the current profit and loss.

(3) On the balance sheet date, if there's any sign to indicate impairment of fixed assets, the corresponding impairment reserve shall be provisioned based on the difference of book value higher than the recoverable amount. The test method for impairment of fixed assets and the method for the provision for impairment are detailed in Note III (XII) "Impairment of long-term Assets".

3. Disposal of the fixed assets

The proceeds from sale, transfer, retirement or disposal of the fixed assets, net of their carrying amounts and the relevant taxes, are recognized in the Non-operating expensee.

(X) Right to use assets

1. Recognizing Conditions for Right to use assets

Use right asset means the company's right to use leased assets during the lease period as lessee. The company shall recognize use right asset over lease since the beginning date of lease period. Use right asset shall be recognized when the related economic interest would probably flow in, and the cost can be reliably measured.

2. Initial Measurement of Use Right Asset

Use right asset shall have initial measurement based on cost, such cost shall include:

(1) Initial measurement amount of lease liability;

(2) For any amount of lease payment paid on or before the beginning date of lease period, if there's any lease incentive, the related amount of already entitled lease incentive shall be deducted;

(3) Initial direct expense incurred by the lessee;

(4) The estimated cost to be incurred by the lessee for dismantling and removing lease asset, recovering the site of the lease asset or recovering the lease asset to the state stipulated in the lease terms.

3. Subsequent Measurement of Use Right Asset

(1) The company adopts cost model to make subsequent measurement on use right asset.

(2) The company provisions depreciation on use right asset. If it can be reasonably recognized that the ownership of lease asset can be obtained at expiration of lease period, this company shall provision depreciation during the residual serviceable life of the leased asset. If it can't be reasonably recognized that the ownership of lease asset can be obtained at expiration of lease period, this company shall provision depreciation during whichever shorter between the lease period and the residual serviceable life of the leased asset. The specific depreciation methods of various Right to use assets are as follows:

This company provisions depreciation on Right to use assets based on the **Straight-Line Method**.

(3) When the company re-measures lease liability based on the present value of lease payment after change, and adjusts the book value use right asset accordingly, if the book value of use right asset has been reduced to zero, but the lease asset still needs to be further reduced, the residual amount shall be accounted into current profit or loss.

(4) On the balance sheet date, if there's any sign to indicate impairment of Use Right Asset , the corresponding impairment reserve shall be provisioned based on the difference of book value higher than the recoverable amount.

(XI) Intangible Assets

1. **Initial measurement of the intangible assets**

1. Intangible assets include land use right, patent right and non-patent right, etc., which shall have initial measurement based on cost.

2. Subsequent Measurement of Intangible Assets

The amortized amounts of the intangible assets of limited useful life shall be systematically and reasonably amortized over the useful life in the anticipated realization manner of the economic benefits related to such intangible assets. If it is impossible to determine the anticipated realization manner, the intangible assets shall be amortized using the straight-line method.

(2) Any intangible asset with uncertain serviceable life shall not be amortized, the company shall recheck the serviceable life of such intangible asset in every accounting period.

3. Expenditure of Research and Development

The Company’s expenditures for the internal R&D projects are composed of the expenditures at the research stage and the expenditures at the development stage.

The expenditures at the research stage are recognized in the current profit and loss on accrual.

The expenditures at the development stage are recognized as the intangible assets when the following conditions are met. The expenditures at the development stage that are inconsistent with the following conditions are recognized in the current profit and loss:

（1）Such intangible assets are completed, so that it is technologically feasible to use or sell such intangible assets;

（2）The Company has intention to complete and use or sell such intangible assets;

（3）The economic benefit generating mode of the intangible assets includes proving that the products made of such intangibles are marketable or the intangible assets have a market; if the intangible assets are used internally, the availability could be proved;

（4）There are sufficient technological and financial resources and other resources to support development of such intangible assets, and the Company has ability to use or sell such intangible assets;

（5）The expenditures of such intangible assets at the development stage can be measured reliably.

If the expenditures at the research stage and the expenditures at the development stage cannot be distinguished, the incurred R&D expenditures are recognized in the current profit and loss in full.

5. Disposal of Intangible Assets

When selling intangible assets, the difference between the received price payment and the book value of such intangible asset shall be accounted into the current profit or loss.

(XII) Depreciation of Long-Term Assets

As to the fixed assets, the Construction in progress, the intangible assets of limited useful life, the Investment properties measured at cost, the long-term equity investments in the subsidiaries, joint venture and associated enterprises, and other non-current non-financial assets, the Company judges whether there is impairment sign on the balance sheet date. If there is impairment sign, then their recoverable amount is estimated, and the impairment test is performed. The goodwill, the intangible assets of indefinite useful life, and the intangible assets that have not been ready for intended use are tested for impairment every year whether there is impairment sign or not.

If the impairment test results indicate that the recoverable amount of the assets is lower than their carrying amounts, the impairment provision is calculated at the resulting difference, and the difference is recognized in the impairment loss. The recoverable amount is the higher of the fair value of an asset net of the disposal expenses, and the present value of the estimated future cash flows of such asset. The fair value of an asset is determined at the price under the sales agreement in the arm's length transaction; if there is no sales agreement but there is active market, the fair value is determined at the purchase price of the buyer of such assets; in absence of both the sales agreement and the active market, the fair value of the asset may be estimated based on the best available information. The disposal expenses include the legal costs, the relevant taxes and the handling costs related to disposal of the assets, and the direct expenses incurred before such asset is ready for its intended use. The present value of the estimated future cash flows of the assets is determined by discounting the estimated future cash flows of the assets in the process of continuous use and final disposal at the appropriate discount rate. The asset impairment provision is calculated and determined based on the single asset. If it is hard to estimate the recoverable amount of the single asset, the recoverable amount of the asset group in which such asset is incorporated is determined. The asset group is the minimum asset combination that can independently generate cash inflows.

Once the aforesaid asset impairment losses are recognized, the recovered value shall not be reversed during the subsequent periods.

(XIII) Borrowing Cost

1. Recognition principles of the Borrowing costs

Any Borrowing costs incurred by the Company that are directly attributable to acquisition, construction or production of qualifying assets are capitalized and added to the costs of those assets; other Borrowing costs are recognized as expenditures through profit or loss when they arise.

The qualifying assets refer to the fixed assets, Investment properties and inventories that are necessarily take a substantial period of time for acquisition, construction or production activities to get ready for their intended use or sale.

(2) Capitalization period of the Borrowing costs

（1）Commencement of capitalization: when the conditions are met, the interest on the special loans, amortization of the discount or premium and the exchange difference are capitalized: a.The capital expenditures have been incurred; b.The Borrowing costs have been incurred; and c.The necessary acquisition and construction activities to get the assets ready for their intended use have been started.

（2）Suspension of capitalization: if the acquisition and construction activities of the fixed assets are abnormally interrupted, and the interruption exceeds 3 months or more, capitalization of the Borrowing costs is suspended, and is recognized as the current expenses, until the acquisition and construction activities of the assets are restarted.

（3）Stopping of capitalization: when the acquired and constructed fixed assets are ready for their intended use, capitalization of the Borrowing costs is stopped.

3. Determination of the capitalized amount of the loan interest

（1）If the loans are especially used for acquisition, construction or production of the qualifying assets, the capitalized amount shall be determined at the actual interest expenses of the special loans, net of the interest income from deposit of the unused loans in the bank or the investment income from temporary investments of the loans.

（2）If the general loans are used for acquisition, construction or production of the qualifying assets, the Company shall calculate and determine the interest amounts of the general loans that should be capitalized at the product of the excesses of the accumulated asset expenditures over the weighted asset expenditure means of the special loans multiplied by the capitalization rate of the general loans.

4. Disposal of the foreign-currency loans

During the capitalization period, the exchange difference of the principal and interest of the special loans denominated in foreign currencies shall be capitalized. The exchange difference arising from the principal and interest of other foreign-currency loans than the special loans denominated in foreign currencies shall be recognized in the financial expenses through profit or loss.

(XIV) Employee Remuneration

1. Employee remuneration includes short-term pay, post-employment benefits, dismission welfare and other long-term employee benefits.

2. Accounting Treatment Method of Short-Term Compensation

During the accounting period of an employee providing service to company, company shall recognize the actually incurred short-term remuneration as liability, and account it into current profit or loss or related asset cost.

3. Accounting Treatment Method of Post-Employment Benefits

The post-employment benefits are classified into defined contribution plans and defined benefit plans.

(1) During the accounting period when an employee provides service to the company, the payable amount calculated according to defined contribution plans shall be recognized as liability, and accounted into current profit or loss or related asset cost.

(2) The accounting treatment of defined benefit plans usually includes the following steps:

a. Based on the method of estimated accumulative welfare unit, adopt unbiased and consistent actuarial assumption to make estimation about related demographic variables and financial variables, measure the obligations generated from defined benefit plans, and recognize the periods of related obligations. Meanwhile, discount the obligations generated from the defined benefit plans, so as to recognize the present value of defined benefit plans and service cost in current period;

b. If there's any asset in defined benefit plans, the deficit or surplus generated from the present value of defined benefit plans obligation less the fair value of defined benefit plans asset shall be recognized as the net liability or net asset of a defined benefit plan. If there's surplus in a defined benefit plan, measure the net asset of defined benefit plan based on whichever lower between the upper limits of the surplus and asset of defined benefit plan.

c. At the end of period, recognize the employees remuneration cost generated from defined benefit plans into three parts, namely the service cost, the net amount of interest of the net liability or net asset of defined benefit plan, and the changes from re-measurement of the net liability or net asset of defined benefit plans, in which the service cost and the net amount of interest of the net liability or net asset of defined benefit plan shall be accounted into current profit or loss or related asset cost, the changes from re-measurement of the net liability or net asset of defined benefit plans shall be accounted into other comprehensive income, and shall not be allowed to transfer back to the profit or loss in subsequent accounting period, but these amounts recognized in other comprehensive income can be transferred in the scope of equities.

4. Accounting Treatment Method of Dismission Welfare

For the dismission welfare provided to employee, the employee remuneration liability generated from dismission welfare shall be recognized on whichever earlier between the following two options, and accounted into current profit or loss:

(1) When the company is unable to unilaterally withdraw the dismission welfare provided when cancelling labor relation plan or layoff suggestions;

(2) When the company recognizes the cost or expense related to the restructuring involving payment of dismission welfare.

5. Accounting Treatment of Other Long-Term Employee Welfare

For other long-term welfare provided to employees, if meeting the conditions for defined contribution plans, the accounting treatment shall be made according to related regulations on defined contribution plans; other long-term welfares shall have accounting treatment according to related regulations on defined contribution plans, in order to simplify the related accounting treatments, its generated employees remuneration cost shall be recognized as service cost, the total net amount, including the net amount of interest of net liability or net asset of other long-term employees welfare, the changes generated from remeasurement of the net liability or net asset of other long-term employees welfare and other component items, shall be accounted into current profit or loss or related asset cost.

(XV) Lease Liabilities

On the beginning date of lease period, the company shall recognize the use right asset and lease liability over the lease, except for the short-term lease and low-value asset lease that shall have simplified treatment according to related standards.

Lease liabilities shall make initial measurement based on the present value of the lease payment not yet paid on the beginning date of lease period.

Lease payment amount means the payment that the company pays to lessor for the right to use the leased asset during the lease period, including:

1. Fixed payment and substantial fixed payment, if there’s any lease incentive, deduct the related amount of lease incentive;

2. Variable lease payment depending on index or ratio, such payment shall be recognized at initial measurement based on the index or ratio on the beginning date of lease period;

3. Executive price of call option, under the precondition that the company is reasonably recognized to execute such option;

4. The payment to be paid for exercising the option of terminating lease, under the precondition that it’s reflected during the lease period that the company will exercise the option of terminating the lease;

5. Estimate the payable amount based on the residual value of the guarantee provided by the company.

When calculating the present value of lease payment, this company adopts the interest rate implicit in lease as the discount rate; if it’s unable to recognize the interest rate implicit in lease, the company shall adopt incremental borrowing interest rate as the discount rate.

(XVI) Incomes

1. Income Recognition Principle

On the beginning date of contract, this company shall evaluate contract, identify the various single contract performance obligations contained in the contract, and recognize whether each single contract performance obligation is to be performed during certain time section or performed at certain time point.

If meeting any of the following conditions, it shall be performance of contractual obligation during certain time section, otherwise, it shall be performance of contractual obligation at certain time point:

(1) The customer obtains and consumes the economic interest brought from this company’s performance of contract immediately when this company performs the contract;

(2) The customer is able to control the commodity or service in the process of contract performance by this company;

(3) The commodity or service generated from this company’s contract performance process has irreplaceable use, and this company has the right to collect payment for the part of accumulatively completed contract performance until present during the entire contract period.

For any contractual obligation performed during certain time section, this company shall recognize income based on the contract performance progress within such time section. If the contract performance progress can’t be reasonably recognized, and the already incurred cost is estimated to be compensated, the income shall be recognized based on the amount of already incurred cost, until the contract performance progress can be reasonably recognized. For any contractual obligation to be performed at certain time point, the income shall be recognized at the time point when the customer obtains the control over the related commodity or service. When judging whether a customer has obtained the control over commodity, this company shall consider the following signs:

(1) The company is entitled to the right to immediately collect payment for the commodity, meaning the customer has the obligation to immediately pay for such commodity;

(2) The company has transferred the legal ownership of such commodity to a customer, meaning the customer already has the legal ownership of such commodity;

(3) The company has transferred the physical commodity to a customer, meaning the customer has physically occupied the commodity;

(4) The company has transferred the main risks and rewards on the commodity to a customer, meaning the customer has obtained the main risks and rewards on the ownership of such commodity;

(5) A customer has accepted the commodity;

(6) Other signs indicating that a customer has obtained the control over the commodity.

2. Income Measurement Principle

(1) This company shall measure income based on the transaction price allocated to each single contractual obligation. Transaction price means the amount of consideration that this company is estimated entitled to receive for transfer of commodity or service to a customer, excluding the payment collected on behalf of a third party and the payment estimated to be refunded to a customer.

(2) If there’s any variable consideration in a contract, this company shall recognize the best estimation of variable price based on the expected value or the most likely amount, but the transaction price including variable consideration shall not exceed the amount of already recognized accumulative income is extremely unlikely to have major transfer-back when the related uncertainty has been eliminated.

(3) If a contract contains major financing component, the company shall recognize the transaction price based on the assumed payable amount in cash by the customer when obtaining control over the commodity or service. The difference between such transaction price and contractual consideration shall be amortized in effective interest method during contractual period. On the beginning date of contract, if the company estimates that the time interval between the time when the customer obtains control over the commodity or service and the time when the customer pays the price doesn’t exceed one year, the

major financing component existing in contract shall not be considered.

(4) If a contract contains two or more contractual obligations, on the beginning date of contract, this company shall amortize transaction price to each single contractual obligation based on the relative ratio of separate sales price of commodity assumed by each single contractual obligation.

(XVII) Deferred Income Tax Assets and Deferred Income Tax Liability

1. Deferred income tax assets or deferred income tax liabilities shall be calculated and recognized based on the difference between the book value of an asset or liability and its taxing base (if any item not recognized as asset or liability can recognize its taxing base according to related tax regulations, it's the difference between its taxing base and its book value), and based on the applicable tax rate during the estimated period to recover such asset or liquidate such liability.

2. The recognized deferred income tax asset shall be within the limit of the taxable income that is probably used to deduct the deductible temporary difference. On the balance sheet date, if there's solid evidence to indicate that it would probably obtain sufficient taxable income in the future to deduct the deductible temporary difference, the unrecognized deferred income tax asset in previous accounting period shall be recognized.

The recognition of deferred income tax assets is limited to the taxable income that is likely to be obtained to offset the deductible temporary differences. On the balance sheet date, if there is conclusive evidence that it is likely to obtain sufficient taxable income in the future to offset the deductible temporary differences, the deferred income tax assets not recognized in the previous accounting periods shall be recognized

4. The company's income tax and deferred income tax in current period shall be accounted into current profit or loss as income tax expense or income, but excluding the income tax generated from the following circumstances:

(1) Merger of enterprises;

(2) Transaction or matters directly recognized in owner's equity.

IV. Notes to Change of Important Accounting Policy, Accounting Estimation, Correction

of Major Accounting Error

(I) Change in Accounting Policies

The Company has no changes in accounting policy during the reporting period.

(II) Change of Accounting Estimation

The Company has no changes in accounting estimates during the reporting period.

(III) Major Accounting Error

The Company has no material accounting error correction items during the reporting period

V. Taxes

(I) Main Taxes and Tax Rates are Presented as Follows

Tax item	Tax basis	Tax rate (collection rate)
VAT	The output tax shall be calculated on the basis of the sales of goods and taxable labor income calculated according to tax regulation, after deducting the currently deductible input tax, the different part shall be the VAT payable/taxpayer's sales of goods or taxable labor income, the simplified method of calculating taxable income based on sales revenue and tax rate shall be adopted, and the input tax shall not be deducted	6%
Urban construction tax	Turnover tax	7%
Educational surtax	Turnover tax	3%
Local educational surtax	Turnover tax	2%
Corporate income tax	Taxable income	25%
Individual income tax	---	---

(I) Preferential Tax Policy

This company didn't apply to the related preferential tax policies.

II. Notes to Main Items of Financial Statements

(I) Notes to Items in Balance Sheet

1. **Cash and cash equivalents**

Item	Closing balance	Opening balance
Cash	23,000.36	23,176.07
Bank balances	1,757,189.94	893,129.18
Other monetary funds	0.00	0.00
Total	1,780,190.30	916,305.25

2. ACCOUNTS RECEIVABLE

Aging analysis

Aging	Closing balance			Opening balance		
	Amount	Proportion	Bad debt reserves	Amount	Proportion	Bad debt reserves
Within 1 year	865,770.15	100.00%	0.00	62,406.67	100.00%	0.00
Total	865,770.15	100.00%	0.00	62,406.67	100.00%	0.00

3. ADVANCE PAYMENT

Aging analysis

Aging	Closing balance		Opening balance	
	Amount	Ratio in original	Amount	Ratio in original value
Within 1 year	111,274.55	100.00%	123,500.04	100.00%
Total	111,274.55	100.00%	123,500.04	100.00%

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4. OTHER RECEIVABLES

Item	Closing balance	Opening balance
Interest Receivable	0.00	0.00
Dividend receivable	0.00	0.00

Other Receivables	247,863.20	266,472.33
Total	247,863.20	266,472.33

Other Receivables

Aging analysis

Aging	Closing balance			Opening balance		
	Amount	Proportion	Bad debt reserve	Amount	Proportion	Bad debt reserve
Within 1 year	157,863.20	63.69%	0.00	176,472.33	66.23%	0.00
1-2 years	0.00	0.00%	0.00	0.00	0.00%	0.00
2-3 years	0.00	0.00%	0.00	90,000.00	33.77%	0.00
More than 3 years	90,000.00	36.31%	0.00	0.00	0.00%	0.00
Total	247,863.20	100.00%	0.00	266,472.33	100.00%	0.00

5. Long-Term Equity Investment

Invested unit	Shareholding ratio	Opening balance	Change of increase or decrease in current period			
			Additional investment	Decreased investment	Investment gain or loss recognized in equity method	Adjustment of other comprehensive income
Atrails Travel Services (Beijing) Co., Ltd	0.00	210,000.00	0.00	0.00	0.00	0.00
Total	0.00	210,000.00	0.00	0.00	0.00	0.00

Continued:

Invested unit	Change of increase or decrease in current period				Closing balance	Closing balance of impairment reserve
	Change of other equities	Cash dividends or profit announced of distribution	Provisioned impairment reserve	Others		
Atrails Travel Services (Beijing) Co., Ltd	0.00	0.00	0.00	0.00	210,000.00	0.00

Total	0.00	0.00	0.00	0.00	210,000.00	0.00

6. Fixed Assets

Type	Closing balance	Opening balance
Fixed assets	0.00	10,336.00
Disposal of fixed assets	0.00	0.00
Total	0.00	10,336.00

Fixed Assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
1、Total original price	341,353.79	0.00	0.00	341,353.79
Including: Office furniture	34,251.00	0.00	0.00	34,251.00
Electronic equipment	307,102.79	0.00	0.00	307,102.79
2、Total accumulated depreciation	331,017.79	10,336.00	0.00	341,353.79
Including: Office furniture	34,251.00	0.00	0.00	34,251.00
Electronic equipment	296,766.79	10,336.00	0.00	307,102.79
3、Total accumulated amount of fixed assets depreciation reserves	0.00	0.00	0.00	0.00
Including: Office furniture	0.00	0.00	0.00	0.00
Electronic equipment	0.00	0.00	0.00	0.00
4、Total book value of fixed assets	10,336.00	——	——	0.00
Including: Office furniture	0.00	——	——	0.00
Electronic equipment	10,336.00	——	——	0.00

7. Right to use assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
1、Total original book value	646,918.00	0.00	0.00	646,918.00
Including: Houses and buildings	646,918.00	0.00	0.00	646,918.00

2、Total accumulated depreciation and accumulated amortization	230,370.00	416,548.00	0.00	646,918.00
Including: Houses and buildings	230,370.00	416,548.00	0.00	646,918.00
3、Total accumulated provision for impairment of assets with right to use	0.00	0.00	0.00	0.00
Including: Houses and buildings	0.00	0.00	0.00	0.00
4、Total book value of assets with right to use	416,548.00	——	——	0.00
Including: Houses and buildings	416,548.00	——	——	0.00

8. INTANGIBLE ASSETS

Item	Opening balance	Increase in current	Decrease in current	Closing balance
1、Total original price value	376,463.39	0.00	0.00	376,463.39
including: software	376,463.39	0.00	0.00	376,463.39
2、 Total accumulated amortization	376,463.39	0.00	0.00	376,463.39
including: software	376,463.39	0.00	0.00	376,463.39
3、 Total accumulated amount of intangible	0.00	0.00	0.00	0.00
including: software	0.00	0.00	0.00	0.00
4、 Book value of intangible assets	0.00	——	——	0.00
including: software	0.00	——	——	0.00

9. DEFERRED INCOME TAX ASSETS/ DEFERRED INCOME TAX LIABILITIES

Item	Closing balance	Opening balance
Deferred income tax assets	2,643,319.52	2,643,319.52
Total	2,643,319.52	2,643,319.52

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10. SHORT TERM BORROWING

Item	Closing balance	Opening balance
Short Term Borrowing	2,953,192.00	2,502,612.00
Total	2,953,192.00	2,502,612.00

11. ACCOUNTS PAYABLE

Aging analysis

Aging	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	1,973,791.41	100.00%	199,670.10	100.00%
Total	1,973,791.41	100.00%	199,670.10	100.00%

12. ADVANCE RECEIPT

Aging analysis

Aging	Closing balance		Opening balance	
	Ratio	Amount	Ratio	Amount
Within 1 year	1,130,796.18	100.00%	452,606.96	100.00%
Total	1,130,796.18	100.00%	452,606.96	100.00%

13. PAYROLL AND EMPLOYEE BENEFITS

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Wages, bonuses, allowances and subsidies	0.00	549,217.40	433,381.72	115,835.68
Total	0.00	549,217.40	433,381.72	115,835.68

14. TAXES AND DUES PAYABLE

Item	Closing balance	Opening balance
value added tax	20,478.66	0.00
individual income tax	3,739.02	3,969.65
total	24,217.68	3,969.65

15. OTHER PAYABLES

(1) Details

Item	Closing balance	Opening balance
Interests payable	0.00	0.00

Dividends payable	0.00	0.00
Other payables	958,912.76	1,145,091.97
Total	958,912.76	1,145,091.97

(2) Other payables

Aging Analysis

Aging	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	958,912.76	100.00%	1,145,091.97	100.00%
Total	958,912.76	100.00%	1,145,091.97	100.00%

16. Lease Liabilities

Item	Closing balance	Opening balance
Lease Liabilities	0.00	425,089.00
Total	0.00	425,089.00

17. Paid-in Capital

Name of shareholder	Opening balance	Increase in current	Decrease in current	Closing balance
ASIAN TRAILS HOLDING	6,000,000.00	2,000,000.00	0.00	8,000,000.00
Total	6,000,000.00	2,000,000.00	0.00	8,000,000.00

18. Capital Reserve

Item	Opening balance	Increase in current	Decrease in current	Closing balance
Capital Reserve	1,606.36	0.00	0.00	1,606.36
Total	1,606.36	0.00	0.00	1,606.36

19. Surplus Reserve

Type	Opening balance	Increase in current	Decrease in current	Closing balance
Statutory Surplus	248,500.50	0.00	0.00	248,500.50
Total	248,500.50	0.00	0.00	248,500.50

20. Undistributed Profits

Item	Closing balance	Opening balance
Undistributed profit at the beginning of	-6,330,258.73	-5,238,498.84
Plus: net profit of the year	-3,218,176.12	-1,091,759.89
Less: withdrawal of statutory surplus	0.00	0.00
withdrawal of discretionary	0.00	0.00
withdrawal of general risk	0.00	0.00
common stock dividends payable	0.00	0.00
common stock dividends	0.00	0.00
profits handed in by branches	0.00	0.00
other	0.00	0.00
Undistributed profit at the end of the	-9,548,434.85	-6,330,258.73

(II)Note to Profit Statement Items

1. Operating revenue and Operating Costs

Item	Current amount		Amount incurred in the same period of last year	
	Income	Cost	Income	Cost
Main business	5,684,573.63	4,785,011.88	110,106.41	87,419.00
Total	5,684,573.63	4,785,011.88	110,106.41	87,419.00

2. Taxes and Surcharges

Item	Current amount	Amount incurred in the same period of last year
Stamp Duty	1,716.06	0.00
Total	1,716.06	0.00

3. Selling expenses

Item	Current amount	Amount incurred in the same period of last year
Selling expenses	112,757.08	84,525.79

Total	112,757.08	84,525.79

4. Administration Expense

Item	Current amount	Amount incurred in the same period of last year
Administration Expense	3,737,266.14	3,209,726.10
Total	3,737,266.14	3,209,726.10

5. Financial Expense

Item	Current amount	Amount incurred in the same period of last year
Interest expenses	0.00	0.00
Less: interest income	1,288.60	2,229.77
Exchange losses	8,126.37	271,491.29
Less: exchange gains	0.00	0.00
Handling charges expenses	0.00	0.00
Other	259,160.82	194,253.41
Total	265,998.59	463,514.93

6. Income Tax Expense

Item	Current amount	Amount incurred in the same period of last year
Income Tax Expense	0.00	-2,643,319.52
Total	0.00	-2,643,319.52

(III) Supplementary Material of Cash Flow Statement

Supplementary information	Amount of this year	Amount of previous year
1. Adjusting net profit to operating cash flows:	---	---
Net profit	-3,218,176.12	-1,091,759.89
Add: Provision for impairment losses of assets	0.00	0.00
Credit impairment loss	0.00	0.00

Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	10,336.00	16,610.25
Depreciation of use right asset	416,548.00	230,370.00
Amortization of intangible assets	0.00	96,569.85
Amortization of long-term prepaid expenses	0.00	0.00
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "—")	0.00	0.00
Losses on retirement of fixed assets (gains are indicated by "—")	0.00	0.00
Losses on changes in fair values (gains are indicated by "—")	0.00	0.00
Financial expenses (income is indicated by "—")	8,126.37	460,295.00
Losses arising from investments (gains are indicated by "—")	0.00	0.00
Decrease in deferred tax assets (increase is indicated by "—")	0.00	0.00
Increase in deferred tax liabilities (decrease is indicated by "—")	0.00	0.00
Decrease in inventories (increase is indicated by "—")	0.00	0.00
Decrease in receivables from operating activities (increase is indicated by "—")	-772,528.86	-3,029,410.43
Increase in payables from operating activities (decrease is indicated by "—")	2,427,706.03	902,254.70
Others	0.00	0.00
Net cash flow from operating activities	-1,127,988.58	-2,415,070.52
2.Significant investing and financing activities that do not involve cash receipts and payments	---	---
Conversion of debt into capital	0.00	0.00
Convertible bonds due within one year	0.00	0.00
Fixed assets acquired under finance leases	0.00	0.00
3.Net changes in cash and cash equivalents:	---	---
Closing balance of cash	1,780,190.30	916,305.25
Less: Opening balance of cash	916,305.25	1,541,125.77
Add: Closing balance of cash equivalents	0.00	0.00
Less: Opening balance of cash equivalents	0.00	0.00

Net increase in cash and cash equivalents	863,885.05	-624,820.52

VII. Affiliated Parties Relationship and Affiliated Transaction

(I) Affiliated Parties Relationship

Name of affiliated party	Ratio of shareholding in this company	Ratio of voting rights in this company
ASIAN TRAILS HOLDING LTD.	100.00%	100.00%

(II) Affiliated Transaction

Other payables

Creditor	Closing balance
Atrails Travel Services (Beijing) Co., Ltd	400,000.00
Total	400,000.00

VIII. Other Important Matters

(I) Contingent Matters，

As of December 31, 2023, the Company has not involved in any pending litigations, external guarantee and other contingencies that shall be disclosed.

(II) Contingent Matters

As of December 31, 2023, the Company has not made any commitments that shall be disclosed.

(III) Non-adjusting events after balance sheet date

As of January 24,2024, the company was free of events after the balance sheet date to be disclosed.

(IV) Debt Restructuring

As of December 31, 2023, the company was free of debt restructuring issues.

(V) Exchange of Non-Monetary Assets

As of December 31, 2023, the company was free of exchange of non-monetary assets.

（VIII）Other

As of January 24,2024, the Company has not engaged in any other important matters that shall be disclosed.

IX Approval for Publishing of the Accounting Statements

The accounting statements have been approved to be published by the Company's Board of Directors (Board of Shareholders) on January 24,2024.

ASIAN Trails International Travel Services (Beijing) Ltd.

January 24,2024

北京东审会计师事务所（特殊普通合伙）

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs

2020年 11 月 13 日
/y /m /d

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs

2020年 11 月 13 日
/y /m /d

10

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs

年 月 日
/y /m /d

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs

年 月 日
/y /m /d

11

姓名：贾凡
证书编号：110004910004

证书编号：
No. of Certificate
110004910004

批准注册协会：
Authorized Institute of CPAs
北京注册会计师协会

发证日期： 年 月 日
Date of Issuance /y /m /d
二〇一一 七 五

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格，继续有效一年。
lid for another year after
this renewal.

CPA任职资格检查合格
BEIJING INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
BICPA
北京注册会计师协会
2012

年 月 日
/y /m /d

5

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

北京东审会计师事务所(特殊普通合伙)
1101061047620

姓 名
Full name 贾凡
性 别
Sex 女
出生日期
Date of birth 1983
工作单位
Working unit
身份证号码
Identity card No. 13068219850

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梁东 110003950038

证书编号：
No. of Certificate 110003950038

批准注册协会：
Authorized Institute of CPAs 北京注册会计师协会

发证日期：
Date of Issuance 2022 年/y 12 月/m 29 日/d

4

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

年/y 月/m 日/d

5

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

北京东审会计师事务所(特殊普通合伙)
1101061047620

姓名 Full name	梁东
性别 Sex	男
出生日期 Date of birth	1987-10-07
工作单位 Working unit	北京东审会计师事务所（特殊普通合伙）
身份证号码 Identity card No.	131082198710072510

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会 计 师 事 务 所

执业证书

名　　　　称：北京东审会计师事务所（特殊普通合伙）

首 席 合 伙 人：李丽

主 任 会 计 师：

经 营 场 所：北京市东城区崇文门外大街7、9号1幢11层11-1

组 织 形 式：普通合伙

执业证书编号：11000395

批准执业文号：京财会[2005]1668号

批准执业日期：2005年10月11日

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证书序号：0014621

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：北京市财政局

二〇一 年　月　日

中华人民共和国财政部制

营业执照

（副　本）(2-1)

统一社会信用代码

91110102781700826T

扫描市场主体身份码了解更多登记、备案、许可、监管信息，体验更多应用服务。

名　　称　北京东审会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　李丽

经营范围　审计企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关的报告；基本建设年度决算审计；代理记帐；会计咨询、税务咨询、管理咨询、财务会计培训；法律、法规规定的其它业务。（市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

出资额　441万元

成立日期　2005年10月17日

主要经营场所　北京市东城区崇文门外大街7、9号1幢11层11-1

北京东审会计师事务所(特殊普通合伙) 1101060470120

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登记机关

北京市东城区市场监督管理局

2023年10月11日

国家企业信用信息公示系统网址：http://www.gsxt.gov.cn

市场主体应当于每年1月1日至6月30日通过国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制

2023 Auditor's Report

of

Atrails Travel Services (Beijing) Co., Ltd

DSK [2024] No.A06-003

Contents	Page

北京东审会计师事务所（特殊普通合伙）

Auditor's Report

DSK [2024] No.A06-003

To all shareholders of Atrails Travel Services (Beijing) Co., Ltd,

I. Audit Opinions

We have audited the attached financial statements of Atrails Travel Services (Beijing) Co., Ltd. (hereinafter referred to as the Company), including the Balance Sheet as of December 31, 2023, and the Income Statement, the Cash Flow Statement and the Statement of Change in Owners' Equity for the year then ended, and the Notes to Financial Statements.

In our opinions, the attached financial statements have been prepared in accordance with the Accounting System for Business Enterprises in all significant aspects, and have given fair views on the Company's financial position as of December 31, 2023, and the operating results and cash flows for the year then ended.

II. Basis for Forming Audit Opinions

We conducted an audit in accordance with the Chinese Certified Public Accountants Auditing Standards. Our responsibilities under these Standards are further set forth in the Section "CPA's Responsibility for Auditing Financial Statements" hereunder. In accordance with the Code of Ethics for Chinese Certified Public Accountants, we are independent of the Company, and have fulfilled other responsibilities in respect of professional ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinions.

Ⅲ. Other information

The Company's management is responsible for other information. Other information includes the information under the annual report, but excludes the financial statements and our auditor's report.

Our audit opinions in respect of the financial statements exclude other information, and we do not express any form of authentication conclusions on other information.

In consideration of our audit on the financial statements, our responsibility is to review other information, and consider whether other information is significantly inconsistent with the financial statements or the circumstances in our knowledge in the audit process, or has material misstatement or not.

Based on our audit, if we confirm that other information has material misstatement, we shall report such facts. In this respect, we have nothing to report.

IV. Responsibilities of the Management and the Executives on the Financial Statements

The Company's management (hereinafter referred to as the management) is responsible for preparing the financial statements that give fair view in accordance with the Accounting System for Business Enterprises, and designing, executing and maintaining necessary internal control, so that the financial statements are free from material misstatement, whether due to fraud or errors.

In preparation of the financial statements, the management is responsible for evaluating the Company's ability of going concern, disclosing the matters related to going concern (if applicable), and utilizing the going concern assumptions, unless the management plans to liquidate the Company, or terminate operation or does not have any other practical choices.

The executives are responsible for supervising the process of the Company's financial reporting.

V. CPA's Responsibility for Auditing Financial Statements

Our goal is to obtain reasonable assurance as to whether the financial statements in the whole are free from material misstatement, whether due to fraud or errors, and to issue the auditor's report including the audit opinions. The reasonable assurance is at high level, but cannot guarantee that audit in line with the auditing standards will always discover certain material misstatement if any. Misstatement might be caused by fraud or errors. If it is reasonably anticipated that misstatement might independently or together affect the economic decisions made by the users of the financial statements based on the financial statements, then, it is generally assumed that the misstatement is material.

In the course of audit performed in accordance with the auditing standards, we make our professional judgment and maintain the professional skepticism. Meanwhile, we also perform the following work:

(I) To identify and evaluate the material misstatement risks of the financial statements whether due to fraud or errors, design and implement the audit procedures to cope with these risks, and obtain sufficient and appropriate audit evidences as the basis for the audit opinions. As fraud might involve collusion, forging, intentional omission or false statement or overrides the internal control, the risk in failure to discover the material misstatement due to fraud overrides the risk in failure to discover the material misstatement due to errors.

(II) To understand the audit related internal control, in order to design appropriate procedures, but not for the purpose of expressing opinions on the effectiveness of the internal control.

(III) To evaluate the appropriateness of the accounting policies used by the management, and the reasonableness of the accounting estimates and relevant disclosures made by the management.

(IV) To make conclusions on appropriateness of the going concern assumptions used by the management, and make conclusions on material uncertainty of the matters or circumstances that are likely to materially challenge the Company's ability of going concern based on the obtained audit evidences at the same time. If our conclusions hold that there is material uncertainty, the auditing standards require we remind the users of the statements of the relevant disclosures in the financial statements in our auditor's report; if the disclosures are insufficient, we should express unqualified opinions. Our conclusions are based on the information available as of the date of the auditor's report. However, the future matters or circumstances might disqualify the Company from going concern.

(V) To evaluate the overall presentation, structure and contents (including disclosures) of the financial statements, and evaluate whether the financial statements give fair view on the relevant transactions and matters.

We have communicated the planned audit scope, schedule and material audit discoveries with the executives, including the internal control defects that have been identified by us in the course of audit and should be paid attention to.

This audit report is not intended for use in securities markets such as IPOs, bond issuances, and the New Third Board. It is also not suitable for use in financing or investment activities with qualification requirements for securities. Any consequences arising from improper use beyond the intended scope are not the responsibility of the registered accountants and the accounting firm conducting this audit.

Beijing Dong Shen Certified Public Accountants LLP (Limited Liability Partnership)

Beijing, China

January 24, 2024

Chinese CPA: 中国注册会计师 110004910004

Chinese CPA: 中国注册会计师 110003950038

Balance Sheet

December 31, 2023

Audited entity name:Atrails Travel Services (Beijing) Co., Ltd.

Currency: Rmb

Items	Notes	Current Year	Previous Year	Items	Notes	Current Year	Previous Year
Current Assets:				**Currents Liabilities:**			
Cash and cash equivalents	1	776,222.86	1,034,644.11	Short Term Borrowing	35		
Trading financial assets	2			Trading financial liabilities	36		
Derivative financial assets	3			Derivative financial liabilities	37		
Notes receivable	4			Notes payable	38		
Accounts receivable	5	29,938.00		Accounts payable	39	237,118.40	396,194.24
Receivable financing	6			Advance receipt	40	567,824.72	206,023.41
Prepayments	7	274,706.95	210,300.00	Contract liabilities	41		
Other receivables	8	421,876.00	64,895.32	Payroll and employee benefits	42	11,730.00	11,730.00
Inventories	9			Taxes and dues payable	43	3,234.47	
Contract assets	10			Other payables	44	69,959.32	134,542.70
Hold for sale assets	11			Held for sale debt	45		
Non-current assets due within one year	12			Non-current liabilities due within one year	46		
Other current assets	13			Other current liabilities	47		
Total Current Assets	14	1,502,743.81	1,309,839.43	**Total Current Liabilities**	48	889,866.91	748,490.35
Non-current Assets:				**None current liabilities:**			
Debt investment	15			Long-term loans	49		
Other debt investment	16			Bonds payable	50		
Long-term receivable	17			Bonds payable-Preferred Stock	51		
Long-term equity investments	18			Bonds payable-Perpetual debt	52		
Other Equity Instruments Investment	19			Lease liabilities	53		74,137.00
Other non-current financial assets	20			Long - Term Payables	54		
Investment Properties	21			Provisions	55		
Fixed assets	22			Deferred income	56		
Construction in progress	23			Deferred income tax liabilities	57	1,310.57	
Productive biological assets	24			Other non-current liabilities	58		
Oil and gas assets	25			**Total Non-current Liabilities**	59	1,310.57	74,137.00
Right to use assets	26		72,691.00	**Total Liabilities**	60	891,177.48	822,627.35
Intangible assets	27			**Owners'/Shareholders' Equity:**			
Development expenditures	28			Paid in capital	61	300,000.00	300,000.00
Goodwill	29			Other equity instruments	62		
Long-term prepaid assets	30			Other equity instruments-Preferred Stock	63		
Deferred income tax assets	31		4,412.47	Other equity instruments-Perpetual debt	64		
Other non-current assets	32			Capital Reserve	65		
				Less:Retained stock	66		
				Other comprehensive income	67		
				Special reserve	68		
Total Non-current Assets	33	-	77,103.47	Surplus reserve	69	31,038.25	26,313.17
				Undistributed profit	70	280,528.08	238,002.38
				Total Owners'/Shareholders' Equity	71	611,566.33	564,315.55
Total Assets	34	1,502,743.81	1,386,942.90	**Total Liabilities & Owners' Equity**	72	1,502,743.81	1,386,942.90

公司法定代表人： 张小琳印　　主管会计工作负责人： 丁琴志印　　会计机构负责人： 丁琴志印

Income Statement

December 31, 2023

Audited entity name:Atrails Travel Services (Beijing) Co., Ltd.

Currency: Rmb

Items	Notes	Current Year	Previous Year
I.Operating revenue	1	3,495,139.04	11,364,153.57
Less: Operating Costs	2	2,997,254.42	10,622,977.74
Taxes and Surcharges	3	1,657.93	
Selling expenses	4	105,000.00	178,992.46
Administration Expense	5	338,702.10	194,952.70
R&D expenses	6		
Financial expenses	7	2,786.92	3,091.77
Including: Interest expense	8		
Interest income	9	2,428.91	5,003.57
Add:Other Incomes	10		
Investment income (loss expressed with "-")	11		
Including:Income from associates and joint ventures	12		
Derecognition gains on financial assets measured at amortised cost (loss expressed with "-")	13		
Net open hedge income	14		
Income from changes in fair value (loss expressed with "-")	15		
Credit impairment loss (loss expressed with "-")	16		
Impairment of assets (loss expressed with "-")	17		
Disposal of assets	18		
II.Operating income (loss expressed with "-")	19	49,737.67	364,138.90
Add:Non-operating income	20		
Less:Non-operating expense	21		
III.Total income	22	49,737.67	364,138.90
Less:Income Tax Expense	23	2,486.89	3,026.03
IV.Net income (loss expressed with "-")	24	47,250.78	361,112.87
Continuous operation Profit/loss	25	47,250.78	361,112.87
Terminate the operation Profit/loss	26		
V.Each component of other comprehensive income, net of income tax effect	27	-	-
1. Other comprehensive income which will not be reclassified subsequently to profit or loss	28	-	-
1.1 As a result of remeasurement of net defined benefit plan liability or asset	29		
1.2 Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss	30		
1.3 Changes in fair value of other equity instruments investment	31		
1.4 Changes in the fair value of corporate credit risk	32		
1.5 Other	33		
2. Other comprehensive income which will be reclassified subsequently to profit or loss when specific conditions are met	34	-	-
2.1 Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit and loss when specific conditions are met	35		
2.2 Changes in the fair value of other debt investments	36		
2.3 The amount of financial assets reclassified into other comprehensive income	37		
2.4 Other debt investment credit impairment provisions	38		
2.5 Cash flow hedge reserve	39		
2.6 Translation differences arising on translation of foreign currency financial statements	40		
2.7 Other	41		
VI.Total comprehensive earning	42	47,250.78	361,112.87
VII.Earning Per Share	43		
1.Primary earnings per share	44		
2.Diluted earnings per share	45		

公司法定代表人：　　主管会计工作负责人：　　会计机构负责人：

Cash Flow Statement

December 31, 2023

Audited entity name:Atrails Travel Services (Beijing) Co., Ltd.   Currency: Rmb

Items	Notes	Current Year	Previous Year
I. Cash Flows From Operating Activities			
Cash received from sale of goods or rendering of services	1	3,827,002.35	12,239,394.18
Refund of tax and levies	2		
Other cash received relating to operating activities	3	1,844,065.17	253,095.41
Sub-total of cash inflows from operating activties	4	5,671,067.52	12,492,489.59
Cash paid for goods and services	5	3,156,330.26	11,393,242.77
Cash paid to and on behalf of employees	6	205,113.60	128,623.20
Payments of all types of taxes	7	29,350.36	7,438.50
Other cash paid relating to operating activities	8	2,538,694.55	585,530.60
Sub-total of cash outflows from operating activties	9	5,929,488.77	12,114,835.07
Net cash flows from operating activities	10	-258,421.25	377,654.52
II. Cash Flows From Investing Activities			
Cash received from recovery of investments	11		
Cash received from returns on investments	12		
Net cash received from disposal of fixed assets, intangible assets & other long-term ass	13		
Net cash from disposal of Subsidiary and other operating entitie	14		
Other cash received relating to investing activities	15		
Sub-total of cash inflows from investing activities	16	-	-
Cash paid to acquire fixed assets, intangible assets & other long-term assets	17		112,885.00
Cash paid to acquire investments	18		
Net cash obtained from subsidiary and other operating entities	19		
Other cash payments relating to investing activities	20		
Sub-total of cash outflows from investing activities	21	-	112,885.00
Net cash flows from investing activities	22	-	-112,885.00
III.Cash Flows From Financing Activities			
Cash received from capital contribution	23		
Cash received from borrowings	24		
Other cash received relating to financing activities	25		
Sub-total cash flows from financing activities	26	-	-
Cash repayments of amounts borrowed	27		
Cash payments for interest expenses and distribution of dividends or profit	28		
Other cash payments relating to financing activities	29		
Sub-total cash flows from financing activities	30	-	-
Net cash flows from financing activities	31	-	-
IV. Effect Of Foreign Exchange Rate Changes On Cash	32		-1,344.81
V. Net Increase/(Decrease) In Cash And Cash Equivalents	33	-258,421.25	263,424.71
Add：Cash and cash equivalents at the beginning of the year	34	1,034,644.11	771,219.40
VI.Cash and cash equivalents at the end of the year	35	776,222.86	1,034,644.11

公司法定代表人：张小琳印　　主管会计工作负责人：丁志琴印　　会计机构负责人：丁志琴印

Statement of Changes in Equity

December 31, 2023

Audited entity name:Atrails Travel Services (Beijing) Co., Ltd.

Currency: Rmb

Items	Current Year										
	Paid in capital	Other equity instruments			Capital surplus	Less: Treasury Stock	Other comprehensive income	Special reserve	Surplus Reserve	Undistributed Profits	Total owner's equity
		Preferred Stock	Perpetual debt	Others							
I. Closing balance last year	300,000.00								26,313.17	238,002.38	564,315.55
Add:Change in accounting policy											-
Corrections of prior period errors											-
other											-
II. Opening balance this year	300,000.00	-	-	-	-	-	-	-	26,313.17	238,002.38	564,315.55
III. Fluctuation amount this year (decrease expressed with "-")	-	-	-	-	-	-	-	-	4,725.08	42,525.70	47,250.78
1.Total comprehensive income										47,250.78	47,250.78
2.Owners' capital of input and decrease	-	-	-	-	-	-	-	-	-	-	-
2.1 Owner of the common shares											-
2.2 Holders of other equity instruments invested capital											-
2.3 Shares included in the owners' equity											-
2.4 Others											-
3.Profit distribution	-	-	-	-	-	-	-	-	4,725.08	-4,725.08	-
3.1 Appropriation of surplus reserve									4,725.08	-4,725.08	-
3.2 Distribution to owners (shareholders)											-
3.3 Others											-
4.Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-
4.1 Capital surplus to increase capital											-
4.2 Surplus reserve to increase capital											-
4.3 Surplus reserve making up losses											-
4.4 Set a change in the benefit plan to carry forward retained earnings											-
4.5 Other comprehensive income carry-over retained earnings											-
4.6 Others											-
IV.Closing balance this year	300,000.00	-	-	-	-	-	-	-	31,038.25	280,528.08	611,566.33

公司法定代表人： 张小琳印　　主管会计工作负责人： 丁琴志印　　会计机构负责人： 丁琴志印

Statement of Changes in Equity

December 31, 2023

Audited entity name:Atrails Travel Services (Beijing) Co., Ltd.

Currency: Rmb

Items	Prior Year										
	Paid in capital	Other equity instruments			Capital surplus	Less: Treasury Stock	Other comprehensive income	Special reserve	Surplus Reserve	Undistributed Profits	Total owner's equity
		Preferred Stock	Perpetual debt	Others							
I. Closing balance last year	300,000.00								14,511.65	-111,308.97	203,202.68
Add:Change in accounting policy											-
Corrections of prior period errors											-
other											-
II. Opening balance this year	300,000.00	-	-	-	-	-	-	-	14,511.65	-111,308.97	203,202.68
III. Fluctuation amount this year (decrease expressed with "-")	-	-	-	-	-	-	-	-	11,801.52	349,311.35	361,112.87
1.Total comprehensive income										361,112.87	361,112.87
2.Owners' capital of input and decrease	-	-	-	-	-	-	-	-	-	-	-
2.1 Owner of the common shares											-
2.2 Holders of other equity instruments invested capital											-
2.3 Shares included in the owners' equity											-
2.4 Others											-
3.Profit distribution	-	-	-	-	-	-	-	-	11,801.52	-11,801.52	-
3.1 Appropriation of surplus reserve									11,801.52	-11,801.52	-
3.2 Distribution to owners (shareholders)											-
3.3 Others											-
4.Internal transfer of owners' equity	-	-	-	-	-	-	-	-	-	-	-
4.1 Capital surplus to increase capital											-
4.2 Surplus reserve to increase capital											-
4.3 Surplus reserve making up losses											-
4.4 Set a change in the benefit plan to carry forward retained earnings											-
4.5 Other comprehensive income carry-over retained earnings											
4.6 Others											-
IV.Closing balance this year	300,000.00	-	-	-	-	-	-	-	26,313.17	238,002.38	564,315.55

公司法定代表人： 主管会计工作负责人： 会计机构负责人：

Atrails Travel Services (Beijing) Co., Ltd.

Notes to Financial Statements

The year in 2023

(Unless otherwise especially specified, the amounts are stated in RMB)

I. Company Profile

Atrails Travel Services (Beijing) Co., Ltd. (hereinafter referred to as the company), was established on February 26, 2019, with a unified social credit code of 91110105MA01HE2K5Q; company type: limited liability company (foreign-invested enterprise and domestic-funded joint venture); enterprise registration address: Beijing.

Business scope: The company's business scope: domestic tourism business; inbound tourism business; economic and trade consultation; tourism information consultation; undertaking exhibition activities; conference services; organizing cultural and artistic exchange activities (excluding performances); import and export of goods, technology and import and export.

II. Preparation Basis of Financial Statements

（I）Preparation Basis

Under the assumption of going concern, the Company prepares the financial statements in respect of the actual transactions and events in accordance with the Accounting Standards for Business Enterprises – Basic Standards enacted by the Ministry of Finance ,42 accounting standards, application guidelines and interpretations thereof enacted and amended ,(hereinafter collectively referred to as "accounting standards for business enterprises") to recognize and measure, and prepare financial statements on this basis

(II) Evaluation of Sustainable Operation Ability

The financial statements are presented based on the assumption of going concern. The Company has not engaged in any events or circumstances that challenge the Company’s ability of going concern over the 12 months at the end of the reporting period.

III. Important Accounting Policy and Accounting Estimation of the Company

（I）Statements on Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises, and have given true and complete views on the Company's financial position, and other information related to operating results and cash flows.

（II）Accounting period

The Company's accounting year begins on January 1 and ends on December 31 of every Gregorian calendar year.

（III）Operating cycle

The company considers 12 months as the standard to classify the liquidity of assets and liabilities.

（IV）Reporting currency

The company uses the Chinese Yuan (Renminbi) as its functional currency.

(V) Bookkeeping Base and Pricing Principle

According to related regulations of ASBE, the company's accounting shall be on the accrual basis. Except for certain financial instruments and Investment Properties, the financial statement shall adopt historical cost as the measurement basis.

(VI) Recognizing Standard of Cash and Cash Equivalent

The Company cash and cash equivalents include the cash on hand, the Bank balances available for payment at any time, and the Company's short-term (Usually means maturity within three months since the acquisition date), high-liquidity investments that are readily convertible into cash of known amounts and have insignificant risks of change in value.

(VII) Foreign Currency Business and Foreign Currency Statement Translation

1. Foreign Currency Business

At initial recognition of foreign-currency business transaction, bookkeeping shall be made in RMB converted with the spot exchange rate on the occurring date of transaction as the conversion exchange rate.

On balance sheet date, the foreign-currency monetary items shall be converted at the spot exchange rate on balance sheet date, any and all balances of exchange shall be accounted into current profit or loss except for the balance of exchange incurred from the special borrowing in foreign currency related to purchase or construction of assets that meet capitalization conditions.

Any foreign-currency non-monetary items measured in historical cost shall still be converted at the spot exchange rate on transaction occurring date; Any foreign-currency non-monetary item measured in fair value shall be converted at the spot exchange rate on the date of recognizing fair value, the translation difference shall be accounted into current profit or loss or recognized as other comprehensive income.

2. Foreign Currency Financial Statement Translation

The items of assets and liabilities in balance sheet shall be converted at the spot exchange rate on balance sheet date; other items of owner's equities than the item of "Undistributed Profit" shall be converted at the spot exchange rate at occurrence. The items of incomes and expenses in profit statement shall be converted at the spot exchange rate on transaction occurrence date. The translation difference of foreign-currency financial statements generated from the conversion above shall be accounted into other comprehensive income.

(VIII) Right to use assets

1. Recognizing Conditions for Right to use assets

Use right asset means the company's right to use leased assets during the lease period as lessee. The company shall recognize use right asset over lease since the beginning date of lease period. Use right asset shall be recognized when the related economic interest would probably flow in, and the cost can be reliably measured.

2. Initial Measurement of Use Right Asset

Use right asset shall have initial measurement based on cost, such cost shall include:

(1) Initial measurement amount of lease liability;

(2) For any amount of lease payment paid on or before the beginning date of lease period, if there's any lease incentive, the related amount of already entitled lease incentive shall be deducted;

(3) Initial direct expense incurred by the lessee;

(4) The estimated cost to be incurred by the lessee for dismantling and removing lease asset, recovering the site of the lease asset or recovering the lease asset to the state stipulated in the lease terms.

3. Subsequent Measurement of Use Right Asset

(1) The company adopts cost model to make subsequent measurement on use right asset.

(2) The company provisions depreciation on use right asset. If it can be reasonably recognized that the ownership of lease asset can be obtained at expiration of lease period, this company shall provision depreciation during the residual serviceable life of the leased asset. If it can’t be reasonably recognized that the ownership of lease asset can be obtained at expiration of lease period, this company shall provision depreciation during whichever shorter between the lease period and the residual serviceable life of the leased asset. The specific depreciation methods of various Right to use assets are as follows:

This company provisions depreciation on Right to use assets based on the **Straight-Line Method**.

(3) When the company re-measures lease liability based on the present value of lease payment after change, and adjusts the book value use right asset accordingly, if the book value of use right asset has been reduced to zero, but the lease asset still needs to be further reduced, the residual amount shall be accounted into current profit or loss.

(4) On the balance sheet date, if there’s any sign to indicate impairment of Use Right Asset , the corresponding impairment reserve shall be provisioned based on the difference of book value higher than the recoverable amount.

(IX) Depreciation of Long-Term Assets

As to the fixed assets, the Construction in progress, the intangible assets of limited useful life, the Investment properties measured at cost, the long-term equity investments in the subsidiaries, joint venture and associated enterprises, and other non-current non-financial assets, the Company judges whether there is impairment sign on the balance sheet date. If there is impairment sign, then their recoverable amount is estimated, and the impairment test is performed. The goodwill, the intangible assets of indefinite useful life, and the intangible assets that have not been ready for intended use are tested for impairment every year whether there is impairment sign or not.

If the impairment test results indicate that the recoverable amount of the assets is lower than their carrying amounts, the impairment provision is calculated at the resulting difference, and the difference is recognized in the impairment loss. The recoverable amount is the higher of the fair value of an asset net of the disposal expenses, and the present value of the estimated future cash flows of such asset. The fair value of an asset is determined at the price under the sales agreement in the arm's length transaction; if there is no sales agreement but there is active market, the fair value is determined at the purchase price of the buyer of such assets; in absence of both the sales agreement and the active market, the fair value of the asset may be estimated based on the best available information. The disposal expenses include the legal costs, the relevant taxes and the handling costs related to disposal of the assets, and the direct expenses incurred before such asset is ready for its intended use. The present value of the estimated future cash flows of the assets is determined by discounting the estimated future cash flows of the assets in the process of continuous use and final disposal at the appropriate discount rate. The asset impairment provision is calculated and determined based on the single asset. If it is hard to estimate the recoverable amount of the single asset, the recoverable amount of the asset group in which such asset is incorporated is determined. The asset group is the minimum asset combination that can independently generate cash inflows.

Once the aforesaid asset impairment losses are recognized, the recovered value shall not be reversed during the subsequent periods.

(X) Employee Remuneration

1. Employee remuneration includes short-term pay, post-employment benefits, dismission welfare and other long-term employee benefits.

2. Accounting Treatment Method of Short-Term Compensation

During the accounting period of an employee providing service to company, company shall recognize the actually incurred short-term remuneration as liability, and account it into current profit or loss or related asset cost.

3. Accounting Treatment Method of Post-Employment Benefits

The post-employment benefits are classified into defined contribution plans and defined benefit plans.

(1) During the accounting period when an employee provides service to the company, the payable amount calculated according to defined contribution plans shall be recognized as liability, and accounted into current profit or loss or related asset cost.

(2) The accounting treatment of defined benefit plans usually includes the following steps:

a. Based on the method of estimated accumulative welfare unit, adopt unbiased and consistent actuarial assumption to make estimation about related demographic variables and financial variables, measure the obligations generated from defined benefit plans, and recognize the periods of related obligations. Meanwhile, discount the obligations generated from the defined benefit plans, so as to recognize the present value of defined benefit plans and service cost in current period;

b. If there's any asset in defined benefit plans, the deficit or surplus generated from the present value of defined benefit plans obligation less the fair value of defined benefit plans asset shall be recognized as the net liability or net asset of a defined benefit plan. If there's surplus in a defined benefit plan, measure the net asset of defined benefit plan based on whichever lower between the upper limits of the surplus and asset of defined benefit plan.

c. At the end of period, recognize the employees remuneration cost generated from defined benefit plans into three parts, namely the service cost, the net amount of interest of the net liability or net asset of defined benefit plan, and the changes from re-measurement of the net liability or net asset of defined benefit plans, in which the service cost and the net amount of interest of the net liability or net asset of defined benefit plan shall be accounted into current profit or loss or related asset cost, the changes from re-measurement of the net liability or net asset of defined benefit plans shall be accounted into other comprehensive income, and shall not be allowed to transfer back to the profit or loss in subsequent accounting period, but these amounts recognized in other comprehensive income can be transferred in the scope of equities.

4. Accounting Treatment Method of Dismission Welfare

For the dismission welfare provided to employee, the employee remuneration liability generated from dismission welfare shall be recognized on whichever earlier between the following two options, and accounted into current profit or loss:

(1) When the company is unable to unilaterally withdraw the dismission welfare provided when cancelling labor relation plan or layoff suggestions;

(2) When the company recognizes the cost or expense related to the restructuring involving payment of dismission welfare.

5. Accounting Treatment of Other Long-Term Employee Welfare

For other long-term welfare provided to employees, if meeting the conditions for defined contribution plans, the accounting treatment shall be made according to related regulations on defined contribution plans; other long-term welfares shall have accounting treatment according to related regulations on defined contribution plans, in order to simplify the related accounting treatments, its generated employees remuneration cost shall be recognized as service cost, the total net amount, including the net amount of interest of net liability or net asset of other long-term employees welfare, the changes generated from remeasurement of the net liability or net asset of other long-term employees welfare and other component items, shall be accounted into current profit or loss or related asset cost.

(XI) Lease Liabilities

On the beginning date of lease period, the company shall recognize the use right asset and lease liability over the lease, except for the short-term lease and low-value asset lease that shall have simplified treatment according to related standards.

Lease liabilities shall make initial measurement based on the present value of the lease payment not yet paid on the beginning date of lease period.

Lease payment amount means the payment that the company pays to lessor for the right to use the leased asset during the lease period, including:

1. Fixed payment and substantial fixed payment, if there’s any lease incentive, deduct the related

amount of lease incentive;

2. Variable lease payment depending on index or ratio, such payment shall be recognized at initial measurement based on the index or ratio on the beginning date of lease period;

3. Executive price of call option, under the precondition that the company is reasonably recognized to execute such option;

4. The payment to be paid for exercising the option of terminating lease, under the precondition that it's reflected during the lease period that the company will exercise the option of terminating the lease;

5. Estimate the payable amount based on the residual value of the guarantee provided by the company.

When calculating the present value of lease payment, this company adopts the interest rate implicit in lease as the discount rate; if it's unable to recognize the interest rate implicit in lease, the company shall adopt incremental borrowing interest rate as the discount rate.

(XII) Incomes

1. Income Recognition Principle

On the beginning date of contract, this company shall evaluate contract, identify the various single contract performance obligations contained in the contract, and recognize whether each single contract performance obligation is to be performed during certain time section or performed at certain time point.

If meeting any of the following conditions, it shall be performance of contractual obligation during certain time section, otherwise, it shall be performance of contractual obligation at certain time point:

(1) The customer obtains and consumes the economic interest brought from this company's performance of contract immediately when this company performs the contract;

(2) The customer is able to control the commodity or service in the process of contract performance by this company;

(3) The commodity or service generated from this company's contract performance process has irreplaceable use, and this company has the right to collect payment for the part of accumulatively completed contract performance until present during the entire contract period.

For any contractual obligation performed during certain time section, this company shall recognize income based on the contract performance progress within such time section. If the contract performance progress can't be reasonably recognized, and the already incurred cost is estimated to be compensated, the income shall be recognized based on the amount of already incurred cost, until the contract performance progress can be reasonably recognized. For any contractual obligation to be performed at certain time point, the income shall be recognized at the time point when the customer obtains the control over the related commodity or service. When judging whether a customer has obtained the control over commodity, this company shall consider the following signs:

(1) The company is entitled to the right to immediately collect payment for the commodity, meaning the customer has the obligation to immediately pay for such commodity;

(2) The company has transferred the legal ownership of such commodity to a customer, meaning the customer already has the legal ownership of such commodity;

(3) The company has transferred the physical commodity to a customer, meaning the customer has physically occupied the commodity;

(4) The company has transferred the main risks and rewards on the commodity to a customer, meaning the customer has obtained the main risks and rewards on the ownership of such commodity;

(5) A customer has accepted the commodity;

(6) Other signs indicating that a customer has obtained the control over the commodity.

2. Income Measurement Principle

(1) This company shall measure income based on the transaction price allocated to each single contractual obligation. Transaction price means the amount of consideration that this company is estimated entitled to receive for transfer of commodity or service to a customer, excluding the payment collected on behalf of a third party and the payment estimated to be refunded to a customer.

(2) If there's any variable consideration in a contract, this company shall recognize the best estimation of variable price based on the expected value or the most likely amount, but the transaction price including variable consideration shall not exceed the amount of already recognized accumulative income is extremely unlikely to have major transfer-back when the related uncertainty has been

eliminated.

(3) If a contract contains major financing component, the company shall recognize the transaction price based on the assumed payable amount in cash by the customer when obtaining control over the commodity or service. The difference between such transaction price and contractual consideration shall be amortized in effective interest method during contractual period. On the beginning date of contract, if the company estimates that the time interval between the time when the customer obtains control over the commodity or service and the time when the customer pays the price doesn’t exceed one year, the major financing component existing in contract shall not be considered.

(4) If a contract contains two or more contractual obligations, on the beginning date of contract, this company shall amortize transaction price to each single contractual obligation based on the relative ratio of separate sales price of commodity assumed by each single contractual obligation.

(XIII) Deferred Income Tax Assets and Deferred Income Tax Liability

1. Deferred income tax assets or deferred income tax liabilities shall be calculated and recognized based on the difference between the book value of an asset or liability and its taxing base (if any item not recognized as asset or liability can recognize its taxing base according to related tax regulations, it’s the difference between its taxing base and its book value), and based on the applicable tax rate during the estimated period to recover such asset or liquidate such liability.

2. The recognized deferred income tax asset shall be within the limit of the taxable income that is probably used to deduct the deductible temporary difference. On the balance sheet date, if there’s solid evidence to indicate that it would probably obtain sufficient taxable income in the future to deduct the deductible temporary difference, the unrecognized deferred income tax asset in previous accounting period shall be recognized.

The recognition of deferred income tax assets is limited to the taxable income that is likely to be obtained to offset the deductible temporary differences. On the balance sheet date, if there is conclusive evidence that it is likely to obtain sufficient taxable income in the future to offset the deductible temporary differences, the deferred income tax assets not recognized in the previous accounting periods shall be recognized

4. The company's income tax and deferred income tax in current period shall be accounted into current profit or loss as income tax expense or income, but excluding the income tax generated from the following circumstances:

(1) Merger of enterprises;

(2) Transaction or matters directly recognized in owner's equity.

IV. Notes to Change of Important Accounting Policy, Accounting Estimation, Correction of Major Accounting Error

（Ⅰ）Change in Accounting Policies

The Company has no changes in accounting policy during the reporting period.

（Ⅱ）Change of Accounting Estimation

The Company has no changes in accounting estimates during the reporting period.

（III）Major Accounting Error

The Company has no material accounting error correction items during the reporting period

V. Taxes

(I) Main Taxes and Tax Rates are Presented as Follows

Tax item	Tax basis	Tax rate (collection rate)
VAT	The output tax shall be calculated on the basis of the sales of goods and taxable labor income calculated according to tax regulation, after deducting the currently deductible input tax, the different part shall be the VAT payable/taxpayer's sales of goods or taxable labor income, the simplified method of calculating taxable income based on sales revenue and tax rate shall be adopted, and the input tax shall not be deducted	6%
Urban construction tax	Turnover tax	7%
Educational surtax	Turnover tax	3%

Local educational surtax	Turnover tax	2%
Corporate income tax	Taxable income	25%
Individual income tax	---	---

(Ⅱ) Preferential Tax Policy

In accordance with the provisions of the "Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises" (Announcement No. 13 of 2022 of the Ministry of Finance and the State Administration of Taxation), the "Announcement of the Ministry of Finance and the State Administration of Taxation on Implementing the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Businesses" (Announcement No. 12 of 2021 of the Ministry of Finance and the State Administration of Taxation), and the "Notice of the Ministry of Finance and the State Administration of Taxation on Implementing Preferential Tax Relief Policies for Small and Micro Enterprises", for the period from January 1, 2021, to December 31, 2022, the portion of the annual taxable income of small and micro-profit enterprises not exceeding RMB 1 million shall be subject to a 25% reduction in the taxable income, and enterprise income tax shall be levied at a rate of 20%, with a further halving of the collected enterprise income tax. From January 1, 2022, to December 31, 2024, the portion of the annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million shall be subject to a 25% reduction in the taxable income, and enterprise income tax shall be levied at a rate of 20%.

II. Notes to Main Items of Financial Statements

(I) Notes to Items in Balance Sheet

1. **Cash and cash equivalents**

Item	Closing balance	Opening balance
Cash	47,816.96	11,071.12

Bank balances	728,405.90	1,023,572.99
Other monetary funds	0.00	0.00
Total	776,222.86	1,034,644.11

2. Accounts receivable

Aging analysis

Aging	Closing balance			Opening balance		
	Amount	Proportion	Bad debt reserves	Amount	Proportion	Bad debt reserves
Within 1 year	29,938.00	100.00%	0.00	0.00	0.00%	0.00
Total	29,938.00	100.00%	0.00	0.00	0.00%	0.00

3. Advance payment

Aging analysis

Aging	Closing balance		Opening balance	
	Amount	Ratio in original	Amount	Ratio in original value
Within 1 year	274,706.95	100.00%	210,300.00	100.00%
Total	274,706.95	100.00%	210,300.00	100.00%

4. Other Receivables

Item	Closing balance	Opening balance
Interest Receivable	0.00	0.00
Dividend receivable	0.00	0.00
Other Receivables	421,876.00	64,895.32
Total	421,876.00	64,895.32

Other Receivables

Aging analysis

Aging	Closing balance			Opening balance		
	Amount	Proportion	Bad debt reserve	Amount	Proportion	Bad debt reserve
Within 1 year	421,876.00	100.00%	0.00	64,895.32	100.00%	0.00
Total	421,876.00	100.00%	0.00	64,895.32	100.00%	0.00

5. Right to use assets

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
1、Total original book value	112,885.00	0.00	0.00	112,885.00
Including: Houses and buildings	112,885.00	0.00	0.00	112,885.00
2、Total accumulated depreciation and accumulated amortization	40,194.00	72,691.00	0.00	112,885.00
Including: Houses and buildings	40,194.00	72,691.00	0.00	112,885.00
3、Total accumulated provision for impairment of assets with right to use	0.00	0.00	0.00	0.00
Including: land	0.00	0.00	0.00	0.00
Houses and buildings	0.00	0.00	0.00	0.00
Machine transportation office equipment	0.00	0.00	0.00	0.00
other	0.00	0.00	0.00	0.00
4、Total book value of assets with right to use	72,691.00	——	——	0.00
Including: Houses and buildings	72,691.00	——	——	0.00

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6. Deferred income tax assets/ Deferred income tax liabilities

Item	Closing balance	Opening balance
Deferred income tax assets	0.00	4,412.47
Deferred income tax liabilities	1,310.57	0.00

7. Accounts payable

Aging analysis

Aging	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	237,118.40	100.00%	396,194.24	100.00%
Total	237,118.40	100.00%	396,194.24	100.00%

8. Advance Receipt

Aging analysis

Aging	Closing balance		Opening balance	
	Ratio	Amount	Ratio	Amount
Within 1 year	567,824.72	100.00%	206,023.41	100.00%
Total	567,824.72	100.00%	206,023.41	100.00%

9. Payroll and employee benefits

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Payroll and employee benefits	11,730.00	172,800.00	172,800.00	11,730.00
Total	11,730.00	172,800.00	172,800.00	11,730.00

10. Taxes and dues payable

Item	Closing balance	Opening balance
value added tax	3,234.47	0.00
total	3,234.47	0.00

11. Other Payables

Item	Closing balance	Opening balance
Interests payable	0.00	0.00
Dividends payable	0.00	0.00

Other payables	69,959.32	134,542.70
Total	69,959.32	134,542.70

Other payables

Aging Analysis

Aging	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
Within 1 year	69,959.32	100.00%	134,542.70	100.00%
Total	69,959.32	100.00%	134,542.70	100.00%

12. Lease Liabilities

Item	Closing balance	Opening balance
Lease Liabilities	0.00	74,137.00
Total	0.00	74,137.00

13. Paid-in Capital

Name of shareholder	Opening balance	Increase in current	Decrease in current	Closing balance
Asian Trails International Travel Services (Beijing) Ltd.	210,000.00	0.00	0.00	210,000.00
Zhang Xiaolin	90,000.00	0.00	0.00	90,000.00
Total	300,000.00	0.00	0.00	300,000.00

14. Surplus Reserve

Item	Opening balance	Increase in current	Decrease in current	Closing balance
Statutory Surplus Reserve	26,313.17	4,725.08	0.00	31,038.25
Total	26,313.17	4,725.08	0.00	31,038.25

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15. Undistributed Profits

Item	Closing balance	Opening balance
Undistributed profit at the beginning of	238,002.38	-111,308.97
Plus: net profit of the year	47,250.78	361,112.87
Less: withdrawal of statutory surplus	4,725.08	11,801.52
withdrawal of discretionary	0.00	0.00
withdrawal of general risk	0.00	0.00
common stock dividends payable	0.00	0.00
common stock dividends	0.00	0.00
profits handed in by branches	0.00	0.00
other	0.00	0.00
Undistributed profit at the end of the	280,528.08	238,002.38

(II)Note to Profit Statement Items

1. Operating revenue and Operating Costs

Item	Current amount		Amount incurred in the same period of last year	
	Income	Cost	Income	Cost
Main business	3,495,139.04	2,997,254.42	11,364,153.57	10,622,977.74
Total	3,495,139.04	2,997,254.42	11,364,153.57	10,622,977.74

2. Taxes and Surcharges

Item	Current amount	Amount incurred in the same period of last year
Taxes and Surcharges	1,657.93	0.00
Total	1,657.93	0.00

3. Selling expenses

Item	Current amount	Amount incurred in the same period of last year
Selling expenses	105,000.00	178,992.46
Total	105,000.00	178,992.46

4. Administration Expense

Item	Current amount	Amount incurred in the same period of last year
Administration Expense	338,702.10	194,952.70
Total	338,702.10	194,952.70

5. Financial Expense

Item	Current amount	Amount incurred in the same period of last year
Interest expenses	0.00	0.00
Less: interest income	2,428.91	5,003.57
Exchange losses	1,365.00	1,344.81
Less: exchange gains	0.00	0.00
Handling charges expenses	0.00	0.00
Other	3,850.83	6,750.53
Total	2,786.92	3,091.77

6. Income Tax Expense

Item	Current amount	Amount incurred in the same period of last year
Income Tax Expense	2,486.89	3,026.03
Total	2,486.89	3,026.03

(III) Supplementary Material of Cash Flow Statement

Supplementary information	Amount of this year	Amount of previous year
1. Adjusting net profit to operating cash flows:	——	——
Net profit	47,250.78	361,112.87
Add: Provision for impairment losses of assets	0.00	0.00
Credit impairment loss	0.00	0.00
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	0.00	0.00
Depreciation of use right asset	72,691.00	40,194.00
Amortization of intangible assets	0.00	0.00
Amortization of long-term prepaid expenses	0.00	0.00
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "—")	0.00	0.00
Losses on retirement of fixed assets (gains are indicated by "—")	0.00	0.00
Losses on changes in fair values (gains are indicated by "—")	0.00	0.00
Financial expenses (income is indicated by "—")	0.00	5,340.81
Losses arising from investments (gains are indicated by "—")	0.00	0.00
Decrease in deferred tax assets (increase is indicated by "—")	4,412.47	0.00
Increase in deferred tax liabilities (decrease is indicated by "—")	1,310.57	0.00
Decrease in inventories (increase is indicated by "—")	0.00	0.00
Decrease in receivables from operating activities (increase is indicated by "—")	-525,462.63	-218,564.24
Increase in payables from operating activities (decrease is indicated by "—")	141,376.56	189,571.08
Others	0.00	0.00
Net cash flow from operating activities	-258,421.25	377,654.52
2.Significant investing and financing activities that do not involve cash receipts and payments	——	——
Conversion of debt into capital	0.00	0.00

Convertible bonds due within one year	0.00	0.00
Fixed assets acquired under finance leases	0.00	0.00
3.Net changes in cash and cash equivalents:	——	——
Closing balance of cash	776,222.86	1,034,644.11
Less: Opening balance of cash	1,034,644.11	771,219.40
Add: Closing balance of cash equivalents	0.00	0.00
Less: Opening balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	-258,421.25	263,424.71

VII. Affiliated Parties Relationship and Affiliated Transaction

(I) Affiliated Parties Relationship

Name of affiliated party	Ratio of shareholding in this company	Ratio of voting rights in this company
Asian Trails International Travel Services (Beijing) Ltd.	70.00%	70.00%
Zhang Xiaolin	30.00%	30.00%

(II) Affiliated Transaction

Balance of the accounts receivable from the related parties

Other receivables

Debtor	Closing balance
Asian Trails International Travel Services (Beijing) Ltd.	400,000.00
Total	400,000.00

VIII. Other Important Matters

(I) Contingent Matters,

As of December 31, 2023, the Company has not involved in any pending litigations, external guarantee and other contingencies that shall be disclosed.

(II) Contingent Matters

As of December 31, 2023, the Company has not made any commitments that shall be disclosed.

(III) Non-adjusting events after balance sheet date

As of January 24,2024, the company was free of events after the balance sheet date to be disclosed.

(IV) Debt Restructuring

As of December 31, 2023, the company was free of debt restructuring issues.

(V) Exchange of Non-Monetary Assets

As of December 31, 2023, the company was free of exchange of non-monetary assets.

（VIII）Other

As of January 24,2024, the Company has not engaged in any other important matters that shall be disclosed.

IX Approval for Publishing of the Accounting Statements

The accounting statements have been approved to be published by the Company's Board of Directors (Board of Shareholders) on January 24,2024.

Atrails Travel Services (Beijing) Co., Ltd.

January 24,2024

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs

2020 年 11 月 13 日
/y /m /d

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs

2020 年 11 月 13 日
/y /m /d

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

事务所
CPAs

转出协会盖章
Stamp of the transfer-out Institute of CPAs

年 月 日
/y /m /d

同意调入
Agree the holder to be transferred to

事务所
CPAs

转入协会盖章
Stamp of the transfer-in Institute of CPAs

年 月 日
/y /m /d

姓名：贾凡
证书编号：110004910004

证书编号：
No. of Certificate
110004910004

批准注册协会：
Authorized Institute of CPAs
北京注册会计师协会

发证日期：
Date of Issuance
年 月 日
/y /m /d
二〇一一 七 五

记
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格，继续有效一年。
lid for another year after this renewal.

CPA任职资格检查合格
BEIJING INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
BICPA
2012

年 月 日
/y /m /d

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

北京东审会计师事务所(特殊普通合伙)
1101061047620

姓名 贾凡
Full name
性别 女
Sex
出生日期 1983
Date of birth
工作单位
Working unit
身份证号码
Identity card No.

仅供审计报告使用

梁东 110003950038

证书编号：
No. of Certificate 110003950038

批准注册协会：
Authorized Institute of CPAs 北京注册会计师协会

发证日期：
Date of Issuance 2022 年/y 12 月/m 29 日/d

4

年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

年/y 月/m 日/d

5

北京东审会计师事务所(特殊普通合伙)
1101061047620

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

姓名 Full name 梁东
性别 Sex 男
出生日期 Date of birth 1987-10-07
工作单位 Working unit 北京东审会计师事务所（特殊普通合伙）
身份证号码 Identity card No. 131082198710072510

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会计师事务所

执业证书

名　　　　称：北京东审会计师事务所（特殊普通合伙）

首席合伙人：李丽

主任会计师：

经营场所：北京市东城区崇文门外大街7、9号1幢11层11-1

组织形式：普通合伙

执业证书编号：11000395

批准执业文号：京财会[2005]1668号

批准执业日期：2005年10月11日

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北京东审会计师事务所(特殊普通合伙) 1101061040820

证书序号：0014621

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：北京市财政局

二〇一一年　月　日

中华人民共和国财政部制

营业执照

(副 本)(2-1)

统一社会信用代码

91110102781700826T

扫描市场主体身份码了解更多登记、备案、许可、监管信息，体验更多应用服务。

名　　称　北京东审会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　李丽

经营范围　审计企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关的报告；基本建设年度决算审计；代理记帐；会计咨询、税务咨询、管理咨询、财务会计培训；法律、法规规定的其它业务。（市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

出 资 额　441万元

成立日期　2005年10月17日

主要经营场所　北京市东城区崇文门外大街7、9号1幢11层11-1

北京东审会计师事务所(特殊普通合伙) 1101060104720

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登记机关

北京市东城区市场监督管理局

2023 年 10 月 11 日

国家企业信用信息公示系统网址：http://www.gsxt.gov.cn

市场主体应当于每年1月1日至6月30日通过国家企业信用信息公示系统报送公示年度报告。

国家市场监督管理总局监制

ASIAN TRAILS TOUR LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2023

Currency – United States dollar

WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

ASIAN TRAILS TOUR LIMITED
FINANCIAL STATEMENTS

CONTENTS

asian trails

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ASIAN TRAILS TOUR LIMITED

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the financial position of Asian Trails Tour Limited (the Company) as of 31 December 2023 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management

U Min Kun Htaw
Director
Asian Trails Tour Limited

13 February 2024

ဝင်းသင်နှင့်အဖွဲ့ လီမိတက်
WIN THIN & ASSOCIATES LTD
CERTIFIED PUBLIC ACCOUNTANTS
Room (2B/2C) 1st Floor, Rose Condominium, No. 182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon Region, Myanmar Tel: 95-1-8201798, 8296164, Fax 95-1-8245671 Email: info@winthinassociates.com

Ref: 708 / A-61 / December 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Asian Trails Tour Limited

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of **Asian Trails Tour Limited** ("the Company"), which comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, or give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards for Small and Medium-sized Entities (MFRS for SMEs).

Basis for Qualified Opinion

(1) The Company's Management has not recorded interest receivable on shareholder's loan, amounting to US $4,166, in the statement of financial position in accordance with loan agreement. The company's records indicate that, had management recorded interest receivable, the receivables would have been increased by US $4,166. Accordingly, net profit, and shareholders' equity would have been increased by US $ 4,166, and income tax would have been increased by US $917 and equity would have been decreased by US $917.

(2) Other receivable included an amount of US $ 7,620 in the statement of financial position. The amount could not be recovered and should be written off. The company's records indicate that had management written off the unrecoverable amount, other receivables would have been decreased by US $ 7,620. Accordingly, net profit and shareholders' equity would have been decreased by US $7,620, and income tax would have been decreased by US $1,676 and equity would have been increased by US $1,676.

(3) The Company's management could not provide reliable information upon director's fees for the year. Consequently, we are unable to determine whether any adjustments were necessary.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with MFRS for SMEs and the provisions of the Law, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

Win Thin & Associates Ltd
AUDITORS
Certified Public Accountants

Saw Nelson (PAPP-400)
Engagement Partner
WIN THIN & ASSOCIATES LTD
CERTIFIED PUBLIC ACCOUNTANTS
Firm Registration No. ACC 008

13 February 2024

ASIAN TRAILS TOUR LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 USD	2022 USD
ASSETS			
Non-current assets			
Property and equipment	3	1,693	2,619
Loan to shareholder	4	50,000	50,000
		51,693	52,619
Current assets			
Cash and cash equivalents	5	47,178	73,410
Trade and other receivables	6	24,643	22,326
Advances and prepayments	7	19,628	23,263
		91,449	118,999
		143,142	171,618
EQUITY AND LIABILITIES			
Equity			
Share capital		49,950	49,950
Accumulated loss		(2,018,175)	(1,521,356)
		(1,968,225)	(1,471,406)
Current liabilities			
Trade and other payables	8	620,159	260,894
Intercompany loan	9	1,465,000	1,360,000
Accrued expenses	10	26,208	22,130
		2,111,367	1,643,024
		143,142	171,618

The accompanying notes form an integral part of the Financial Statements.

U Min Kun Htaw
Director

ASIAN TRAILS TOUR LTD

Daw Naw Eh May Htoo
Director

ASIAN TRAILS TOUR LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 USD	2022 USD
Revenue-net	11	**56,803**	4,722
Cost of sales	12	(52,169)	(4,527)
Gross profit		**4,634**	195
Other income		**72,596**	5,786
Expenses			
Sales & marketing expenses	12	**(22,271)**	(12,220)
Administration expenses	12	**(331,606)**	(294,172)
Finance expenses	12	(209,500)	(139,660)
Net loss before tax		**(486,147)**	(440,071)
Tax expenses		**(10,672)**	-
Net loss for the year		**(496,819)**	(440,071)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(496,819)	(440,071)

The accompanying notes form an integral part of the Financial Statements.

ASIAN TRAILS TOUR LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital USD	Accumulated loss USD	Total USD
At 1 January 2023	49,950	(1,521,356)	(1,471,406)
Loss for the year	-	(496,819)	(496,819)
Other comprehensive income for the year	-	-	-
At 31 December 2023	49,950	(2,018,175)	(1,968,225)
At 1 January 2022	49,950	(1,081,285)	(1,031,335)
Loss for the year	-	(440,071)	(440,071)
Other comprehensive income for the year	-	-	-
At 31 December 2022	49,950	(1,521,356)	(1,471,406)

The accompanying notes form an integral part of the Financial Statements

ASIAN TRAILS TOUR LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 USD	2022 USD
Cash flows from operating activities			
Net loss before tax		(486,147)	(440,071)
Adjustments for:			
- Depreciation		926	1,083
- Gain on disposal of fixed assets		(100)	(910)
- Interest expenses		128,014	82,979
Operating loss before working capital changes		(357,307)	(356,919)
Changes in working capital			
- Trade and other receivables		(2,317)	(12,514)
- Advances and prepayments		3,635	8,197
- Suspense		–	100,000
- Trade and other payables		359,265	193,621
- Accrued expenses		4,078	(100,023)
Net cash provided by / (used in) operations		7,354	(167,638)
Income tax paid		(10,672)	–
Interest paid		(128,014)	(82,979)
Net cash used in operating activities		(131,332)	(250,617)
Cash flows from investing activities			
Purchase of property and equipment		–	(210)
Sale proceeds from disposal of fixed assets		100	910
Net cash provided by investing activities		100	700
Cash flows from financing activities			
Proceeds from loan		105,000	200,000
Net cash provided by financing activities		105,000	200,000
Net decrease in cash and cash equivalents		(26,232)	(49,917)
Cash and cash equivalents at beginning of year		73,410	123,327
Cash and cash equivalents at end of year	5	47,178	73,410

The accompanying notes form an integral part of the Financial Statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. **General information**

Asian Trails Tour Limited ("the Company") was incorporated in the Union of Myanmar as a foreign company in the Republic of the Union of Myanmar under The Myanmar Companies Act, as per Certificate of Incorporation No. 31FC of 1999-2000 dated November 10, 1999 issued by the Ministry of National Planning and Economic Development. As per certificate of registration number 106909822, the Company has been re-registered with the new Myanmar Companies Law.

The principal activity of the Company is to operate as travel agency, tour operator, reservation service and related activities.

The equity shares of the Company are currently owned as follows:

Asian Trails Holding Limited	60%
U Min Kun Htaw	40%

The following are the current directors/managers of the Company:

(i)	MR. LAURENT KUENZLE	(Director)
(ii)	MR. LERSAN MISITSAKUL	(Director)
(iii)	MR. SEBASTIAN ALEX MENDONCA	(Director)
(iv)	MS. NAW EH MAY HTOO	(Director)
(v)	MR. MIN KUN HTAW	(Director)

The Company was subsequently issued Tour Business Licence No.Kha – 0740 dated 14 December 1999 by the Ministry of Hotels and Tourism.

The registered office of the Company is 104-B2, Yadanarmyaing Housing, Yadanarmyaing Street, Kamayut Township, Yangon, Myanmar.

2. **Summary of significant accounting policies**

The principal accounting policies which have been applied consistently throughout the financial years are summarized below:

A. **Basis of preparation**

The accompanying financial statements have been prepared in accordance with MFRS for SMEs and are based on historical cost convention.

(i) **Going concern**

As at 31 December 2023, the Company is in a net current liabilities position of USD 2,019,918 (December 2022: USD 1,524,025) and there is a deficit on equity of USD 1,968,225 (December 2022: deficit of USD 1,471,406). The appropriateness of preparing the financial statements of the Company on a going concern basis is dependent on the Company receiving continuing financial support from its holding company.

2. Summary of significant accounting policies (continued)

A. Basis of preparation (continued)

(i) Going concern

The holding company, Asian Trails Holding Limited, has confirmed its intention to provide financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due for the next 12 months from the date of the financial statements.

In view of the foregoing, the directors consider that it is appropriate to prepare the financial statements on a going concern basis. Accordingly, the financial statements have not included any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

B. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States dollars, which is the functional currency of the Company.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at monthly-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

C. Use of estimates and judgments

The preparation of the financial statements in conformity with MFRS for SMEs requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2. **Summary of significant accounting policies** (continued)

D. **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. Depreciation has been charged for assets under straight-line method. Depreciation rates are as follows;

Furniture and fixture	20%
Vehicles (Motor Cycle)	20%
PC, screens, office machines and installation	20%-33.33%

E. **Cash and cash equivalent**

Cash and cash equivalent comprise cash in hand and deposits with local and foreign banks.

F. **Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

G. **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

H. **Revenue**

Revenue from services is recognized when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

I. **Income tax**

Income tax expense represents the tax based on estimated taxable profit for the year

J. **Related party**

A party is related to an entity if:
(a) directly, or indirectly through one or more intermediaries, the party
  (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  (ii) has an interest in the entity that gives it significant influence over the entity, or
  (iii) has joint control over the entity;
(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venture;
(d) the party is a member of key management personnel of the entity or its parents;
(e) the party is a close member of the family of any individual referred to in (a) or (d);

2. Summary of significant accounting policies (continued)

J. Related party (continued)

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) the party is a post-employment benefit plan for the benefit of employees of the entity, or if any entity that is a related party of the entity.

K. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Property and equipment

	Furniture and fixture	Vehicles	PC, screens, office machines, installation	Total
	USD	USD	USD	USD
Cost				
At January 2023	**31,387**	**807**	**169,303**	**201,497**
Disposal	–	–	–	–
Additions	–	–	–	–
At 31 December 2023	**31,387**	**807**	**169,303**	**201,497**
Accumulated depreciation and impairment losses				
At 1 January 2023	**31,350**	**807**	**166,721**	**198,878**
Disposal	–	–	–	–
Depreciation	**37**	–	**889**	**926**
At 31 December 2023	**31,387**	**807**	**167,610**	**199,804**
Net book value				
At 31 December 2023	–	–	**1,693**	**1,693**
Cost				
At 1 January 2022	31,387	807	169,093	201,287
Additions	–	–	210	210
At 31 December 2022	31,387	807	169,303	201,497
Accumulated depreciation and impairment losses				
At 1 January 2022	31,280	807	165,708	197,795
Depreciation	70	–	1,013	1,083
At 31 December 2022	31,350	807	166,721	198,878
Net book value				
At 31 December 2022	37	–	2,582	2,619

4. Loan to shareholder (USD 50,000) [Note 13(b)]

The above comprises the principal loan amount to U Min Kun Htaw who is one of the shareholders of the Company.

5. **Cash and cash equivalents**

	2023 USD	2022 USD
Cash in hand	9,696	14,049
Cash at banks	37,482	59,361
	47,178	73,410

6. **Trade and other receivables**

	2023 USD	2022 USD
Trade receivables	2,313	2,595
Intercompany receivables {Note 13(a)}	10,835	12,021
Other receivables	11,495	7,710
	24,643	22,326

7. **Advances and prepayments**

	2023 USD	2022 USD
Advance and prepayments	11,048	12,292
Advance payments to suppliers	8,580	10,971
	19,628	23,263

8. **Trade and other payables**

	2023 USD	2022 USD
Trade payables	17,099	34,025
Intercompany payables {Note 13(c)}	567,293	201,376
Deposits	28,408	15,892
Income tax payables	7,359	9,601
	620,159	260,894

9. **Intercompany loan** (Note 13(b))

The Company acquired additional loan from Asian Trails Holding Limited during the financial year. The details are as follows:

	2023 USD	2022 USD
Opening balance	**1,360,000**	1,160,000
Additions	**105,000**	200,000
	1,465,000	1,360,000

10. **Accrued expenses**

	2023 USD	2022 USD
Accrued other	**22,400**	21,993
Accrued standard cost	**3,808**	137
	26,208	22,130

11. **Revenue - net**

	2023 USD	2022 USD
Revenue*	**56,803**	4,722
5% commercial tax	-	-
Net revenue	**56,803**	4,722

* USD 56,876 is the throughout tours and USD 73 is the commission. CT 3% will be deducted with the payment CT to Ooredoo and Yadanarpone teleport.

12. Expenses by nature

The total of cost of sales, sales and marketing expenses, administrative expenses and finance expense are as follows:

	2023 USD	2022 USD
Direct costs	52,169	4,527
Staff costs	146,103	130,229
Key management personnel and director remuneration (Note 13 (d))	12,588	27,288
Office expenses	4,833	3,709
Rent and utility expenses	360	16,975
Prior year GOP expenses	-	9,699
Lease and maintenance	16,236	1,014
Information technology expenses	12,572	11,805
Travel / entertainment	5,282	1,246
Bad debt losses write-off bankruptcy	60	2,398
Miscellaneous	15,000	12,438
Charges Thomas Cook Groups	209,115	139,653
Depreciation	926	1,083
Realized and unrealized exchange gain	(9,883)	(5,774)
Marketing and advertising	22,271	12,220
Interest expenses IC	128,014	82,979
Gain on sale of fixed assets	(100)	(910)
	615,546	450,579

13. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and the related parties at terms agreed between the parties;

(a) Sales and purchase of goods and services

	Transactions value for the year ended 31 December 2023 USD	Balance outstanding as at 31 December 2023 USD
Sales of tour package (Note - 6)	1,186	10,835

	Transactions value for the year ended 31 December 2022 USD	Balance outstanding as at 31 December 2022 USD
Sales of tour package (Note - 6)	11,961	12,021

13. **Related party transactions** (continued)

(b) *Loan*

	Transactions value for the year ended 31 December 2023 USD	Balance outstanding as at 31 December 2023 USD
Loan to shareholder (Note 4)	-	50,000
Loan from Holding (Note 9)	105,000	1,465,000

	Transactions value for the year ended 31 December 2022 USD	Balance outstanding as at 31 December 2022 USD
Loan to shareholder (Note 4)	-	50,000
Loan from Holding (Note 9)	200,000	1,360,000

(c) *Other (Note 8)*

	Transactions value for the year ended 31 December 2023 USD	Balance outstanding as at 31 December 2023 USD
Expenses incurred on behalf of the Company	365,917	567,293

	Transactions value for the year ended 31 December 2022 USD	Balance outstanding as at 31 December 2022 USD
Expenses incurred on behalf of the Company	-	201,376

13. Related party transactions (continued)

(d) Key management personnel and director remuneration (Note 12)

	Transactions value for the year ended 31 December 2023 USD	**Balance outstanding as at 31 December 2023 USD**
Remuneration	**12,588**	-

	Transactions value for the year ended 31 December 2022 USD	Balance outstanding as at 31 December 2022 USD
Remuneration	27,288	-

14. Authorization of financial statements

The financial statements of the Company for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the Company's Board of Directors on 13 February 2024.

ASIAN TRAILS CO., LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
AND
REPORT OF THE INDEPENDENT AUDITORS

Corporate Information

Company:	Asian Trails Co., Ltd.	
Registration No:	00007518	
Registered office:	Building G5ab, No. 540 Aquation, Koh Pich Street, Phum 14 Sangkat Tonle Bassac, Khan Chamkamorn, Phnom Penh Kingdom of Cambodia	
Shareholders:	Asian Trails Holding Limited Mrs. Khiev Bophaphuong	
Board of Directors:	Ms. Virginie Laurence Kury	Chairwoman
	Mrs. Khiev Bophaphuong	Director
	Mr. Mendonca Sebastian Alex	Director
	Mr. Laurent Kunzle	Director
	Mr. Lersan Misitsakul	Director
Principal Bankers:	Cambodian Public Bank Plc. Maybank (Cambodia) Plc.	
Auditors:	Fii&Associates Co., Ltd.	

Asian Trails Co., Ltd.

Contents

Statement by the Directors

I, the undersigned, on behalf of the Board of Directors of Asian Trails Co., Ltd. ("the Company"), do hereby approve the financial statements which comprise the statement of financial position as at 31 December 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 24.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board,

ASIAN TRAILS CO.,LTD

Virginie Laurence Kury
Chairwoman and General Manager

01 April 2024

Report of the Independent Auditors

To the shareholders

Asian Trails Co., Ltd.

Qualified Opinion

We have audited the financial statements of Asian Trails Co., Ltd. ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 5 to 24.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section below, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs").

Basis for Qualified Opinion

(i) We were unable to satisfy ourselves as to completeness and accuracy of tax related exposures, including withholding tax, tax on salary, value added tax and prepayment of profit tax as at and for the year ended 31 December 2023.

(ii) The Company does not recognise and disclose income tax in accordance with Section 19, Income Tax of CIFRS for SMEs.

Our opinion expressed on the financial statements of the Company as at and for the year ended 31 December 2022 was disclaimer of opinion due to above similar matters.

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, 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 qualified audit opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the financial statements which describes that the Company incurred a net loss of US$134,754 during the year ended 31 December 2023 and, as of that date, the Company carried accumulated losses of US$1,372,435, the current liabilities exceeded its current assets by US$387,402. These conditions indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with CIFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements (continued)

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

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

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

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

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

For **Fii&Associates Co., Ltd.**

Fii&Associates Co.,Ltd

Seng Chanthan
Audit Partner

Phnom Penh, Kingdom of Cambodia

01 April 2024

Asian Trails Co., Ltd.

Statement of financial position
as at 31 December 2023

	Note	2023 US$	2023 KHR'000 (Note 2.4)	2022 US$	2022 KHR'000 (Note 2.4)
ASSETS					
Current assets					
Cash and cash equivalents	5	262,580	1,072,639	136,549	562,172
Trade receivables	6	413,196	1,687,906	274,005	1,128,079
Ticket and other stocks		15,794	64,518	22,130	91,109
Other receivables	7	265,301	1,083,755	249,964	1,029,102
Total current assets		956,871	3,908,818	682,648	2,810,462
Non-current assets					
Property and equipment	8	14,967	61,140	26,889	110,702
Guarantee deposit		5,000	20,425	5,000	20,585
Total non-current assets		19,967	81,565	31,889	131,287
Total assets		976,838	3,990,383	714,537	2,941,749
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	9	503,493	2,056,769	271,117	1,116,189
Other payables	10	789,675	3,225,822	546,980	2,251,917
Tax liabilities	11	51,105	208,764	159,121	655,101
Total current liabilities		1,344,273	5,491,355	977,218	4,023,207
Non-current liabilities					
Borrowing from a shareholder	17.2	755,000	3,084,175	725,000	2,984,825
Total liabilities		2,099,273	8,575,530	1,702,218	7,008,032
Equity					
Share capital	12	250,000	1,000,000	250,000	1,000,000
Accumulated losses		(1,372,435)	(5,591,156)	(1,237,681)	(5,037,319)
Currency translation differences		-	6,009	-	(28,964)
Total equity		(1,122,435)	(4,585,147)	(987,681)	(4,066,283)
Total liabilities and equity		976,838	3,990,383	714,537	2,941,749

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

Asian Trails Co., Ltd.

Statement of comprehensive income
for the year ended 31 December 2023

	Note	2023 US$	2023 KHR'000 (Note 2.4)	2022 US$	2022 KHR'000 (Note 2.4)
Revenue	13	3,801,071	15,622,402	1,734,510	7,088,942
Cost of sales	14	(2,959,416)	(12,163,200)	(1,365,739)	(5,581,775)
Gross profit		841,655	3,459,202	368,771	1,507,167
Other income	15	(4,230)	(17,385)	17,193	70,268
Employee salaries and benefits		(500,304)	(2,056,249)	(329,670)	(1,347,361)
Depreciation	8	(13,594)	(55,871)	(11,615)	(47,471)
Other operating expenses	16	(458,281)	(1,883,534)	(316,511)	(1,293,580)
Loss before income tax		(134,754)	(553,837)	(271,832)	(1,110,977)
Income tax expense	11	-	-	-	-
Net loss for the year		(134,754)	(553,837)	(271,832)	(1,110,977)
Other comprehensive income/(loss)					
Currency translation difference		-	34,973	-	(38,937)
Total comprehensive loss for the year		(134,754)	(518,864)	(271,832)	(1,149,914)

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

Asian Trails Co., Ltd.

Statement of changes in equity
for the year ended 31 December 2023

	Share capital		Accumulated losses		Currency translation differences		Total	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
As at 1 January 2022	250,000	1,000,000	(965,849)	(3,926,342)	-	9,973	(715,849)	(2,916,369)
Comprehensive loss for the year								
Net loss for the year	-	-	(271,832)	(1,110,977)	-	-	(271,832)	(1,110,977)
Other comprehensive loss								
Currency translation differences	-	-	-	-	-	(38,937)	-	(38,937)
Total comprehensive loss for the year	-	-	(271,832)	(1,110,977)	-	(38,937)	(271,832)	(1,149,914)
As at 31 December 2022	250,000	1,000,000	(1,237,681)	(5,037,319)	-	(28,964)	(987,681)	(4,066,283)
As at 1 January 2023	250,000	1,000,000	(1,237,681)	(5,037,319)	-	(28,964)	(987,681)	(4,066,283)
Comprehensive loss for the year								
Net loss for the year	-	-	(134,754)	(553,837)	-	-	(134,754)	(553,837)
Other comprehensive income								
Currency translation differences	-	-	-	-	-	34,973	-	34,973
Total comprehensive (loss)/income for the year	-	-	(134,754)	(553,837)	-	34,973	(134,754)	(518,864)
As at 31 December 2023	250,000	1,000,000	(1,372,435)	(5,591,156)	-	6,009	(1,122,435)	(4,585,147)

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

Asian Trails Co., Ltd.

Statement of cash flows
for the year ended 31 December 2023

	2023		2022	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Cash flows from operating activities				
Net loss for the year	(134,754)	(553,837)	(271,832)	(1,110,977)
Adjustments for:				
Income tax expense	-	-	-	-
Property and equipment adjustment	(47)	(193)	-	-
Depreciation	13,594	55,871	11,615	47,471
	(121,207)	(498,159)	(260,217)	(1,063,506)
Changes in:				
Trade receivables	(139,191)	(572,075)	(270,393)	(1,105,096)
Tickets and other stocks	6,336	26,041	11,831	48,353
Other receivables	(15,337)	(63,035)	(163,499)	(668,220)
Trade and other payables	367,055	1,508,596	410,289	1,676,851
	97,656	401,368	(271,989)	(1,111,618)
Income tax paid	-	-	-	-
Net cash generated from/(used in) operating activities	97,656	401,368	(271,989)	(1,111,618)
Cash flows from investing activities				
Acquisition of property and equipment	(1,625)	(6,679)	(6,881)	(28,123)
Net cash used in investing activities	(1,625)	(6,679)	(6,881)	(28,123)
Cash flows from financing activities				
Borrowing from a shareholder	30,000	123,300	335,000	1,369,145
Net generated from financing activities	30,000	123,300	335,000	1,369,145
Net increase in cash and cash equivalents	126,031	517,989	56,130	229,404
Cash and cash equivalents at 1 January	136,549	562,172	80,419	327,627
Currency translation differences	-	(7,522)	-	5,141
Cash and cash equivalents at 31 December (Note 5)	262,580	1,072,639	136,549	562,172

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

1. Reporting entity

Asian Trails Co., Ltd ("the Company") is a private limited company incorporated in the Kingdom of Cambodia on 1 June 1999 under the registration number 00007518 issued by the Ministry of Commerce. The Company has its head office located in Phnom Penh and one branch located in Siem Reap provinces.

The principal activities of the Company are provision of inbound package tours and its related services.

The Company's head office is located in Phnom Penh at Building G5ab, No.540 Aquation, Koh Pich Street, Phum 14, Sangkat Tonle Bassac, Khan Chamkarmorn, Phnom Penh, Cambodia.

As at 31 December 2023, the Company had 37 employees (31 December 2022: 35 employees).

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs").

Details of the Company's significant accounting policies are included in Note 20.

These financial statements were approved by the Board of Directors and authorised for issue on 01 April 2024.

2.2 Fiscal year and reporting period

The Company's fiscal year starts on 1 January and ends on 31 December.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.4 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel ("KHR"). The Company transacts its business and maintain its accounting records primarily in United States Dollars ("US$"). Management has determined the US$ to be the Company's functional currency as it reflects the economic substance of the underlying events and circumstances of the Company.

2. Basis of preparation (continued)

2.4 Functional and presentation currency (continued)

The financial statements are expressed in US$. The translations of US$ amounts into KHR are included solely for meeting the presentation requirements pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date, and the share capital is translated at the historical rate. The statements of comprehensive income and cash flows are translated into KHR using the average rate for the year. Exchange differences arising from the translation are recognised as "currency translation difference" in the other comprehensive income. The accumulated currency translation differences are recognised as a separate component of equity. All values in KHR are rounded to the nearest thousand ("KHR'000"), except if otherwise indicated.

The financial statements are presented in KHR based on the following applicable exchange rate per US$1:

Reporting date			Closing rate	Average rate
31 December 2023	US$1	=	KHR4,085	KHR4,110
31 December 2022	US$1	=	KHR4,117	KHR4,087

These translations are for compliance purposes only and should not be construed as presentations that the US$ amounts have been, could be, or could in the future be, converted into KHR at this or any other rate of exchange.

2.5 Use of estimates and judgments

The preparation of financial statements in conformity with CIFRS for SMEs requires management to make judgments, estimates assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in period in which the estimates are revised and in any future period affected.

3. Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of failure events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements 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:

3.1 Income and other taxes

Taxes are calculated on the basis of current interpretation of the tax obligations. However, these regulations are subject to periodic variation and different interpretation following inspection by the tax authorities. These may result in tax increase and other retroactive tax claims. It is difficult to predict the timing and severity of these occurrences or their potential effect.

3.2 Property and equipment

Accounting for property and equipment involves the use of estimates for determining the expected useful lives of these assets. The determination of useful lives of the assets is based on Management's judgement.

3.3 Allowance for doubtful debts

Management establishes allowance for doubtful debts on a case-by-case basis when they believe collection of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial condition of customer were deteriorated, resulting in inability to make the required payments, allowance may be required to be made for such receivable.

4. Going concern

The financial statements have been prepared on a going concern basis. The Company incurred a net loss of US$134,754 during the year ended 31 December 2023 and, as of that date, the Company carried accumulated losses of US$1,372,435, the current liabilities exceeded its current assets by US$387,402. The validity of the going concern assumption fundamentally depends on the shareholders continuing to provide such financial assistance as is necessary to enable the Company to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future of its operations.

At the date of this report, there is no reason for the management to believe that the shareholder will not provide their support.

5. Cash and cash equivalents

	2023 US$	2023 KHR'000 (Note 2.4)	2022 US$	2022 KHR'000 (Note 2.4)
Cash on hand	18,584	75,915	12,425	51,153
Cash at banks	243,996	996,724	124,124	511,019
	262,580	1,072,639	136,549	562,172

6. Trade receivables

	2023 US$	2023 KHR'000 (Note 2.4)	2022 US$	2022 KHR'000 (Note 2.4)
Third parties	308,782	1,261,375	244,976	1,008,567
Related parties (Note 17.2)	104,414	426,531	29,029	119,512
	413,196	1,687,906	274,005	1,128,079

7. Other receivables

	2023 US$	2023 KHR'000 (Note 2.4)	2022 US$	2022 KHR'000 (Note 2.4)
Amounts due from related parties (Note 17.2)	127,919	522,549	8,961	36,892
Advance to suppliers	58,092	237,306	48,984	201,667
Deposits to suppliers	38,126	155,745	149,995	617,529
Prepayment and others	15,769	64,416	4,244	17,473
Refundable deposits	8,800	35,948	8,800	36,230
Fixed deposit (*)	8,588	35,082	8,588	35,357
Advance to employees	3,535	14,440	5,115	21,058
Other receivables	4,472	18,269	15,277	62,896
	265,301	1,083,755	249,964	1,029,102

(*) The fixed deposit of US$8,588 is for the period of 12 months, maturing on 30 July 2023 and earns an interest rate of 3.50% per annum.

8. Property and equipment

31 December 2023	Leasehold improvement US$	Furniture and fixtures US$	Office equipment US$	Vehicles US$	Total US$	KHR'000 (Note 2.4)
Cost						
At 1 January 2023	79,388	9,164	25,580	89,190	203,322	837,078
Additions	-	-	1,625	-	1,625	6,679
Currency translation difference	-	-	-	-	-	(6,548)
At 31 December 2023	79,388	9,164	27,205	89,190	204,947	837,209
Less: **Accumulated depreciation**						
At 1 January 2023	70,595	8,183	25,405	72,250	176,433	726,376
Depreciation for the year	3,487	633	234	9,240	13,594	55,871
Adjustment	-	(47)	-	-	(47)	(193)
Currency translation difference	-	-	-	-	-	(5,985)
At 31 December 2023	74,082	8,769	25,639	81,490	189,980	776,069
Carrying amounts						
At 31 December 2023	5,306	395	1,566	7,700	14,967	61,140

8. Property and equipment (continued)

31 December 2022	**Leasehold improvement US$**	**Furniture and fixtures US$**	**Office equipment US$**	**Vehicles US$**	**Total US$**	**KHR'000** (Note 2.4)
Cost						
At 1 January 2022	72,507	24,646	62,397	89,190	248,740	1,013,368
Additions	6,881	-	-	-	6,881	28,123
Written off	-	(15,482)	(36,817)	-	(52,299)	(213,746)
Currency translation difference	-	-	-	-	-	9,333
At 31 December 2022	79,388	9,164	25,580	89,190	203,322	837,078
Less: **Accumulated depreciation**						
At 1 January 2022	69,950	22,111	61,686	63,370	217,117	884,536
Depreciation for the year	645	1,554	536	8,880	11,615	47,471
Written off	-	(15,482)	(36,817)	-	(52,299)	(213,746)
Currency translation difference	-	-	-	-	-	8,115
At 31 December 2022	70,595	8,183	25,405	72,250	176,433	726,376
Carrying amounts						
At 31 December 2022	8,793	981	175	16,940	26,889	110,702

9. Trade payables

	2023		2022	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Third parties	294,018	1,201,064	215,869	888,733
Related parties (Note 17.2)	209,475	855,705	55,248	227,456
	503,493	2,056,769	271,117	1,116,189

10. Other payables

	2023		2022	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Advance from clients	434,663	1,775,598	223,341	919,495
Accrued standard costs	256,826	1,049,134	207,933	856,060
Accrued others	77,848	318,009	80,423	331,101
Accrued commission	19,895	81,271	27,197	111,970
Other payables	443	1,810	8,086	33,291
	789,675	3,225,822	546,980	2,251,917

11. Tax liabilities

	2023		2022	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
At 1 January	159,121	655,101	154,916	631,128
Addition during the year	-	-	4,000	16,348
Paid during the year	(106,609)	(438,163)	(1,637)	(6,690)
Adjustment	(1,407)	(5,783)	1,842	7,528
Currency translation difference	-	(2,391)	-	6,787
At 31 December	51,105	208,764	159,121	655,101

12. Share capital

	2023			2022		
	Number	**US$**	**KHR'000** (Note 2.4)	**Number**	**US$**	**KHR'000** (Note 2.4)
Registered:						
Ordinary shares of US$25 each	10,000	250,000	1,000,000	10,000	250,000	1,000,000
Issued and paid-up:						
Ordinary shares of US$25 each	10,000	250,000	1,000,000	10,000	250,000	1,000,000

13. Revenue

	2023		2022	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Sales to third parties	2,934,647	12,061,399	1,550,260	6,335,912
Sales to related parties (Note 17.1)	866,424	3,561,003	184,250	753,030
	3,801,071	15,622,402	1,734,510	7,088,942

14. Cost of sales

	2023		2022	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Direct cost	2,976,335	12,232,737	1,402,230	5,730,914
Reversal for over-accrued costs (*)	(16,919)	(69,537)	(36,491)	(149,139)
	2,959,416	12,163,200	1,365,739	5,581,775

(*) This represents the over-estimate cost of sales in prior years and were reversed in the current financial year.

Asian Trails Co., Ltd.

Notes to the financial statements (continued)
for the year ended 31 December 2023

15. Other income

	2023		2022	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Shopping commission	5,250	21,578	14,091	57,590
Reversal of previous year income	(9,543)	(39,222)	-	-
Adjustment/disposal of property and equipment	47	193	2,800	11,444
Interest income	16	66	302	1,234
	(4,230)	(17,385)	17,193	70,268

16. Other operating expenses

	2023		2022	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Administrative expenses	206,714	849,595	132,043	539,660
Office expenses	69,528	285,760	70,568	288,411
Interest expenses inter-company	66,743	274,314	41,000	167,567
Royalties expense	56,980	234,188	25,807	105,473
Sales and marketing expenses	22,831	93,835	24,478	100,042
Consulting fees	19,147	78,694	12,000	49,044
Bank charges	11,185	45,970	4,749	19,409
Communication	5,003	20,562	5,833	23,839
Others	150	616	33	135
	458,281	1,883,534	316,511	1,293,580

17. Related party transactions and balances

17.1 Transactions with related parties

	2023		2022	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Parent company (Asian Trails Holding)				
Expenses:				
Management fees	54,130	222,474	-	-
Cost Contribution	66,480	273,233	-	-
Royalty expenses	-	-	25,807	105,473
Borrowing:				
Additional borrowing	30,000	123,300	335,000	1,369,145
Interest expenses	66,743	274,314	41,000	167,567
Inter-companies:				
Revenue	866,424	3,561,003	184,250	753,030
Expenses	317,035	1,303,013	157,303	642,898
Key management personnel				
Salary and benefits	89,235	366 ,756	72,600	296,716

17.2. Balances with related parties

	2023		2022	
	US$	**KHR'000** (Note 2.4)	**US$**	**KHR'000** (Note 2.4)
Trade receivables	104,414	426,531	29,029	119,512
Other receivables (*)	127,919	522,549	8,961	36,892
Trade payables	209,475	855,705	55,248	227,456
Borrowings (**)	755,000	3,084,175	725,000	2,984,825

17. Related party transactions and balances (continued)

17.2. Balances with related parties (continued)

(*) Amounts due from Asia NextGen Pte Ltd. is for holding bank account with DBS Bank Ltd. on behalf of Asian Trails Co., Ltd.

(**) Borrowings represent borrowings from Asian Trails Holding Limited which are unsecured, bear interests at 6.98% to 8.86% and maturing in 2025 and 2026 respectively.

18. Operating lease commitments

	2023		2022	
	US$	KHR'000 (Note 2.4)	US$	KHR'000 (Note 2.4)
Within 1 year	38,136	155,786	33,260	136,931
Within 2-5 years	39,000	159,315	23,760	97,820
	77,136	315,101	57,020	234,751

19. Taxation contingencies

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges.

The Company has been under comprehensive tax audits by the General Department of Taxation ("GDT") for fiscal years ended 2011 to 2014 and 2016 to 2018 which resulted in numerous of tax assessments imposed on the Company. The Company has already settled the amount due and cleared its tax liability for the reassessed amounts while the financial years ended 31 December 2015, 2019 and 2023 have not yet been under the comprehensive tax audit by the GDT yet and the provision for taxation of these three remaining open tax years have not been made by the Company in its financial statements.

20. Significant accounting policies

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

20.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

20.2 Trade and other receivables

Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

20.3 Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.

(ii) Subsequent costs

The costs of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

20. Significant accounting policies (continued)

20.3 Property and equipment (continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is calculated using the straight-line method on all property and equipment to allocate their cost to their residual values over their estimated useful lives as follows:

Leasehold improvement	20% to 100%
Furniture and fixtures	6.66% to 100%
Office and IT equipment, EDP equipment	20% to 100%
Vehicles	20%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

20.4 Intangible assets

Intangible assets are purchased computer software that is stated at cost less accumulated amortisation and any accumulated impairment losses. The cost is amortised on a straight-line method at the rate of 33% per annum. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

20.5 Impairment of assets

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

20. **Significant accounting policies** (continued)

20.5 **Impairment of assets** (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

20.6 Trade and other payables

Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost using the effective interest method except for non-interest bearing trade payables on the basis of normal credit terms are not amortised.

20.7 Provisions

Provisions are recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

20.8 Revenue

Revenue is recognised on an accrual basis to the extent that it is possible that the economic benefit will flow to the Company and the revenue can be reliably measured. For monthly and annual cut-off purposes, revenue is recognised on the first day of arrival of each group of tour in Cambodia and the related cost of sales is immediately accrued based on standard costing to match this early revenue recognition.

20.9 Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

20. Significant accounting policies (continued)

20.10 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

20.11 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss, except that an adjustment attributable to an item of income or expense recognised in other comprehensive income shall also be recognised in other comprehensive income.

20. Significant accounting policies (continued)

20.11 Income tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

20.12 Related parties

Enterprises and individual that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including the holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including Director and officers of the Company and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.

AT LAO COMPANY LIMITED

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AT LAO COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2023
STATEMENT BY THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors are responsible for preparing financial statements of AT Lao Company Limited ("the Company") for each financial year which have been prepared in all material respects, in accordance with the accounting policies set out in Note 2 to the financial statements. In preparing these financial statements, the Board of Directors are required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- maintain adequate accounting records and an effective system of internal controls;
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations for the foreseeable future; and
- effectively control and direct the Company and be involved in all material decisions affecting the operations and performance of the Company and ascertain that such decisions have been properly reflected in the financial statements.

The Board of Directors are responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and for ensuring that the accounting records comply with the principal accounting policies set out in Note 2 to the financial statements. It is also responsible for safeguarding the assets of the Company and thus for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements for the year ended 31 December 2023 which have been prepared, in all material respects, in accordance with the accounting policies set out in Note 2 to the financial statements.

On behalf of the Board of Directors:

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 09 May 2024

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of AT Lao Company Limited (the Company), which comprises the statement of financial position and statement of income for the year ended and as at 31 December 2023 and a summary of significant accounting policies and other explanatory information together the financial statements. The financial statements have been prepared by management of the Company in accordance with the accounting policies.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with the accounting policies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements are prepared, in all material respect, in accordance with the basis as described in Company's accounting policy.

For PSL Accounting and Audit Services Co., Ltd

By Phoutpaserth Luanglath
Director
Vientiane, Lao PDR
Date: 09 May 2024

AT LAO COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	31 December 2023 USD	31 December 2022 USD
ASSETS			
Current assets			
Cash and cash equivalents	3	341,062	129,131
Trade accounts receivable	4	204,626	66,512
Other current assets	5	94,592	65,418
Total current assets		**640,280**	**261,061**
Non-current assets			
Property and equipment, net	6	221	790
Intangible assets, net	7	-	-
Total non-current assets		**221**	**790**
Total assets		**640,501**	**261,851**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and other payables	8	16,593	16,361
Short-term borrowings	12	416,000	425,000
Intercompany payable	8	6,050	3,290
Other current liabilities	9	640,652	274,821
Total current liabilities		**1,079,295**	**719,472**
Non-current liabilities			
Long-term borrowings, net		-	-
Total non-current liabilities		-	-
Total liabilities		**1,079,295**	**719,472**
Shareholders' equity			
Share capital	10	200,000	200,000
Deficits		(638,794)	(657,621)
Total shareholders' equity		**(438,794)**	**(457,621)**
Total equity and liabilities		**640,501**	**261,851**

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 09 May 2024

The accompanying notes on pages 6 to 14 form an integral part of these financial statements.

AT LAO COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31 December 2023 USD	31 December 2022 USD
Revenue from sales and services			
Touring revenues		1,627,116	345,860
		1,627,116	**345,860**
Cost of sale and services			
Cost of services		(1,407,975)	(320,232)
		(1,407,975)	**(320,232)**
Gross profit		**219,140**	**25,628**
Other income and expense			
Operating expenses		(160,367)	(107,358)
Depreciation and amortisation expense		(569)	(1,028)
Financial Income		482	190
Other operating expenses		(38,920)	(22,707)
Other Expense		1	13,977
Gain on exchange rate		5,383	1,586
Loss before income tax		**25,150**	**(89,712)**
Income tax expense	11	(6,323)	(547)
Loss for the year		**18,827**	**(90,259)**

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 09 May 2024

The accompanying notes on pages 6 to 14 form an integral part of these financial statements.

AT LAO COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	(Note 12)	Issued share capital USD	Deficits USD	Total USD
Balance at 1 January 2023		200,000	(657,621)	(457,621)
Loss for the year		-	18,827	18,827
Balance at 31 December 2023		**200,000**	**(638,794)**	**(438,794)**
Balance at 1 January 2022		200,000	(567,362)	(367,362)
Loss for the year		-	(90,259)	(90,259)
Balance at 31 December 2022		**200,000**	**(657,621)**	**(457,621)**

Mrs. Phouangsy Phommixay
Ad-Interim General Manager
Date: 09 May 2024

The accompanying notes on pages 6 to 14 form an integral part of these financial statements

AT LAO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

AT LAO CO., LTD is a subsidiary company of the Asian Trails Group that has headquarters office in Bangkok and that financial management is under supervision of Bangkok office.

Asian Trails has commenced its tourist business in Laos in November 2002 by sending tourist group tour to Lao Asian Trails. Due to Lao Asian Trails failed to implement agreement, in 2003 Lao Asian Trails was changed to Asian Trails then had cooperation with Say Nam Houng. From 2003 to 2006, Say Nam Houng tried to obtain a joint venture business license between Asian Trails and Say Nam Houng but was not successful.

In September 2006, Asian Trails changed business partnership from Say Nam Houng to Green Discovery and ran its business under the name of Green Discovery. Green Discovery obtained successfully an application for a joint venture business.

The Company AT LAO CO., LTD. is a joint venture business between Asian Trials and Green Discovery. It was granted an authorization to establish its business in Laos as a Tour Operator with Foreign Investment License dated 23 February 2007 issued by the Ministry of Planning and Investment, Business License No. 0701 dated 01 August 2018 (newly updated since the office location was changed) issued by the Ministry of Industry and Commerce, and Business Operation License (tour company) No. 83 dated 27 13 December 2017 issued by the Municipal Department of Information, Culture and Tourism, Ministry of Information, Culture and Tourism, Laos.

The Company's principle activities are sales of inbound tour packages and provide air tickets to tour groups who come to Laos.

The address of its registered office is Simeuang Village, Simeuang Road, Sisattanark District, Vientiane Capital, Lao P.D.R.

The financial statements were prepared under the responsibility of the Board of Directors and Managing Director and were authorised for issue by the Board of Directors on 15 January 2021 as below:

1. Mr. Lersan	Misitsankul (LM)	Director, appointed by ATH
2. Mr. Laurent	Kuenzle (LK)	Director, appointed by ATH
3. Mr. Inthy	Deuansavan (ID)	Director (proxy to LK)

2. Significant accounting policies

(a) Basis of preparation

The financial statements, prepared in US Dollars ("USD") have been prepared under the historical cost convention drawn up in accordance with accounting policies prescribed in the related Note 2 of these financial statements.

The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are therefore not intended to present the financial position, financial performance in accordance with jurisdictions other than the Lao PDR. Consequently, these financial statements are only addressed to those who are informed about the Company's accounting policies.

2. Significant accounting policies (Continued)

The preparation of the financial statements in conformity with the Company's accounting policy requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

(b) Foreign currency translation

Items included in the financial statements are measured using US Dollars ("USD"). USD is the currency as widely used by the Company.

Foreign currency transactions are translated into USD using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into USD at the exchange rates prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but do not include deposits with banks which are held to maturity, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

(d) Trade accounts receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within operating expense.

2. Significant accounting policies (Continued)

(e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to write off the cost of each asset, to its residual value over the estimated useful life as follows;

The annual rates used for this purpose by category of assets are:

	Years
Installation	10
Furniture	5
PC, Screens, office equipment	5
Vehicles	5

Where the carrying amount of assets is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovation is included in the carrying amount of the assets when it is possible that future economic benefits in excess of the originally assessed standard of performance of the existing assets will flow to the entity. Major renovations are depreciated over the remaining useful life of the related asset.

Gain and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the operating profit.

(f) Intangible asset

Intangible asset represents the right to use the former Accounting software over the period of 5 years. Right is stated at cost less accumulated amortisation which is amortised using the straight-line basis over its useful lives of 5 years.

2. Significant accounting policies (Continued)

(g) Revenue recognition

Revenue is recognised when significant risk and rewards of ownership of the goods or services are transferred to the buyer, which is generally at the time when goods are dispatched or services are rendered to the customer and invoices are issued.

Touring service

Revenue from Touring services are recognised when services have been rendered which generally at delivery acceptance and invoicing.

Other revenues

Other revenues are recognised when services have been rendered which generally at delivery acceptance.

(h) Taxation

The Company does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax expenses for the year are determined on the basis of the profits of the Company calculated under Lao tax accounting rules.

The Company's tax returns are subject to periodic examination by the tax authorities. Because the application of tax laws and regulations, many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

2. Significant accounting policies (Continued)

(i) Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company.

(j) Dividends

Dividends are recorded in the company's financial statements in the period in which they are approved by the shareholders.

(k) Comparatives

The comparative information has been reclassified where appropriate to enhance comparability.

3. Cash and cash equivalents

	31 December 2023 USD	31 December 2022 USD
Cash on hand	24,365	6,746
Cash at bank - current accounts	107,902	37,860
Cash at bank - saving accounts	208,795	84,525
Total	**341,062**	**129,131**

Cash at bank - saving accounts are deposits at local banks with interest rate of 0,60% per annum for USD currency.

4. Trade accounts receivable

	31 December 2023 USD	31 December 2022 USD
Account receivable - TIC	21,022	4,837
Account receivable - Third	183,604	61,675
Total	**204,626**	**66,512**

Aging analysis of trade accounts receivable is as below:

	31 December 2023 USD	31 December 2022 USD
Up to 30 days	33,570	49,161
31 to 60 days	47,245	81
Over 90 days	123,811	17,270
Total	**204,626**	**66,512**

5. Other current assets

	31 December 2023 USD	31 December 2022 USD
Advances to the related parties	81,819	51,515
Prepaid expenses	12,774	13,903
Total	**94,593**	**65,418**

6. Property and equipment, net

	Installation	Furniture	PC, Screens, office equipment	Vehicles	Total
	USD	USD	USD	USD	USD
Year ended 31 December 2023					
As at 31 December 2022	-	16,126	61,802	94,961	172,889
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Written off	-	-	-	-	-
As at 31 December 2023	**-**	**16,126**	**61,802**	**94,961**	**172,889**
Accumulated Depreciation					
As at 31 December 2022	-	15,793	61,583	94,723	172,099
Charge for the year	-	327	69	173	569
Disposal	-	-	-	-	-
As at 31 December 2023	**-**	**16,120**	**61,652**	**94,896**	**172,668**
As at 31 December 2022, net	-	**333**	**219**	**238**	**790**
As at 31 December 2023, net	**-**	**6**	**150**	**65**	**221**
* **Depreciation -Property and equipment as at 31 December 2022**					**1,028**
* **Depreciation -Property and equipment as at 31 December 2023**					**569**

PSL

7. Intangible assets, net

	Program software	Total
	USD	USD
Year ended 31 December 2023		
As at 31 December 2022	19,258	19,258
Additions	-	-
Disposal		-
Written off	-	-
As at 31 December 2023	**19,258**	**19,258**
Accumulated Depreciation		
As at 31 December 2022	19,258	19,258
Charge for the year	-	-
As at 31 Dec 2023	**19,258**	**19,258**
As at 31 December 2022, net	-	-
As at 31 December 2023, net	-	-

* **Amortisation-Intangible assets as at 31 December 2022**	-
* **Amortisation-Intangible asset as at 31 December 2023**	-

8. Trade payables and other payables

	31 December 2023 USD	31 December 2022 USD
Trade payables – Third party	16,593	16,361
Trade payables – TIC	6,050	3,290
	22,643	**19,651**

9. Other current liabilities

	31 December 2023 USD	31 December 2022 USD
Accrued cost of sales	322,817	131,986
Accrued tax	10,056	10,256
Other liabilities	-	-
Other accruals	307,779	132,579
	640,652	**274,821**

As at 31 December 2023, accrued cost of sales mainly represented to the accrual for operating supplier.

Other accruals mainly represent the Staff bonus for Fiscal Year 2023, Prepayments received from Agents, Sale commission, Audit Fee and Others.

10. Share capital

	31 December 2023 USD	31 December 2022 USD
Share Capital	200,000	200,000
Total	**200,000**	**200,000**

11. Income Tax expense

The Income Tax expense for the year ended 31 December 2023 was 6,323 USD.

12. Borrowing

	31 December 2023 USD	31 December 2022 USD
Borrowings from shareholder		
Borrowing	416,000	425,000
Total	**416,000**	**425,000**

The Company has borrowed from Head Quarter which has no timeline on repayment schedule, then it has been considered as Short-term borrowings.

PT. ASIAN TRAILS INDONESIA

LAPORAN KEUANGAN/
FINANCIAL STATEMENTS

UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2023
FOR THE YEAR ENDED DECEMBER 31, 2023

DAN LAPORAN AUDITOR INDEPENDEN/
AND INDEPENDENT AUDITORS' REPORT

asian trails

SURAT PERNYATAAN DIREKSI/*DIRECTORS' STATEMENT LETTER*
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN/
RELATING TO THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2023/
FOR THE YEAR ENDED DECEMBER 31, 2023

PT. ASIAN TRAILS INDONESIA

Kami yang bertanda tangan dibawah ini: *We, the undersigned:*

1. Nama/*Name* : Rocky Wisuda Praputranto
   Alamat kantor/*Office address* : Jl. By Pass Ngurah Rai No. 260
   Alamat domisili/*Domicile* : Jl. Jakarta D 5 Buana Gubug, Jimbaran Kuta Selatan – Bali
   Nomor Telepon/*Phone Number* : (0361) 285771
   Jabatan/*Position* : Direktur Utama/*President Director*
2. Nama/*Name* : Björn Schimanski
   Alamat kantor/*Office address* : Jl. By Pass Ngurah Rai No. 260
   Alamat domisili/*Domicile* : Jl. Betngandang I No. 6E, Sanur Kauh, Denpasar Selatan - Bali
   Nomor Telepon/*Phone Number* : (0361) 285771
   Jabatan/*Position* : Direktur Keuangan/*Finance Director*

menyatakan bahwa:

1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan Perusahaan;
2. Laporan keuangan Perusahaan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan Perusahaan telah dimuat secara lengkap dan benar;
   b. Laporan keuangan Perusahaan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian intern dalam Perusahaan.

Demikian pernyataan ini dibuat dengan sebenarnya.

state that:

1. *We are responsible for the preparation and presentation of the financial statements of the Company;*
2. *The financial statements of the Company have been prepared and presented in accordance with Indonesia Financial Accounting Standards;*
3. *a. All information contain in the financial statements of the Company is complete and correct;*
   b. The financial statements of the Company do not contain misleading material information or facts, and do not omit material information and facts.
4. *We are responsible for the Company internal control system.*

This statement letter is made truthfully.

Denpasar, 18 Januari 2024/*January 18, 2024*
Atas nama dan mewakili Direksi/
On behalf and represent Board of Director

SEPULUH RIBU RUPIAH 10000 METERAI TEMPEL
3D830AKX773643790

Rocky Wisuda Praputranto	Bjorn Schimanski
Direktur Utama/	Direktur Keuangan/
President Director	*Finance Director*

Laporan Auditor Independen

No. 00019/3.0330/AU.1/05/0596-4/1/I/2024

Pemegang Saham, Dewan Komisaris dan Dewan Direksi

PT Asian Trails Indonesia

Opini

Kami telah mengaudit laporan keuangan PT Asian Trails Indonesia terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2023, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Asian Trails Indonesia tanggal 31 Desember 2023, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Basis Opini

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Tanggung jawab kami menurut standar tersebut diuraikan lebih lanjut dalam paragraf Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan pada laporan kami. Kami independen terhadap Perusahaan berdasarkan ketentuan etika yang relevan dalam audit kami atas laporan keuangan di Indonesia, dan kami telah memenuhi tanggung jawab etika lainnya berdasarkan ketentuan tersebut. Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Independent Auditors' Report

No. 00019/3.0330/AU.1/05/0596-4/1/I/2024

The Stockholders, Boards of Commissioners and Boards of Directors

PT Asian Trails Indonesia

Opinion

We have audited the accompanying financial statements of PT Asian Trails Indonesia, which comprise the statement of financial position as of December 31, 2023, and the statement of profit and loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Asian Trails Indonesia as of December 31, 2023, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, 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.

Tanggung Jawab Manajemen dan Pihak yang Bertanggung Jawab atas Tata Kelola terhadap Laporan Keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Dalam penyusunan laporan keuangan, manajemen bertanggung jawab untuk menilai kemampuan Perusahaan dalam mempertahankan kelangsungan usahanya, mengungkapkan, sesuai dengan kondisinya, hal-hal yang berkaitan dengan kelangsungan usaha, dan menggunakan basis akuntansi kelangsungan usaha, kecuali manajemen memiliki intensi untuk melikuidasi Perusahaan atau menghentikan operasi, atau tidak memiliki alternatif yang realistis selain melaksanakannya.

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Perusahaan.

Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan

Tujuan kami adalah untuk memperoleh keyakinan memadai tentang apakah laporan keuangan secara keseluruhan bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan, dan untuk menerbitkan laporan auditor yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit akan selalu mendeteksi kesalahan penyajian material ketika hal tersebut ada. Kesalahan penyajian dapat disebabkan oleh kecurangan maupun kesalahan dan dianggap material jika, baik secara individual maupun secara agregat, dapat diekspektasikan secara wajar akan mempengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan tersebut.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Sebagai bagian dari suatu audit berdasarkan Standar Audit, kami menerapkan pertimbangan professional dan mempertahankan skeptisme professional selama audit. Kami juga:

- Mengidentifikasi dan menilai risiko kesalahan penyajian material dalam laporan keuangan, *baik yang disebabkan oleh kecurangan maupun* kesalahan, mendesain dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memeroleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya kesalahan penyajian material yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.

- Memperoleh suatu pemahaman tentang pengendalian internal yang relevan dengan audit untuk mendesain prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal Perusahaan.

- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.

- Menyimpulkan ketepatan penggunaan basis akuntansi kelangsungan usaha oleh manajemen dan, berdasarkan bukti audit yang diperoleh, apakah terdapat suatu ketidakpastian material yang terkait dengan peristiwa atau kondisi yang dapat menyebabkan keraguan signifikan atas kemampuan Perusahaan untuk *mempertahankan kelangsungan usahanya.* Ketika kami menyimpulkan bahwa terdapat suatu ketidakpastian material, kami diharuskan untuk menarik perhatian dalam laporan auditor kami ke pengungkapan terkait dalam laporan keuangan atau, jika pengungkapan tersebut tidak memadai, harus menentukan apakah perlu untuk memodifikasi opini kami. Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan Perusahaan tidak dapat mempertahankan kelangsungan usaha.

- Mengevaluasi penyajian, struktur, dan isi laporan keuangan secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.

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

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

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

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

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

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

Kami mengkomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit, serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

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.

KANTOR AKUNTAN PUBLIK/*REGISTERED PUBLIC ACCOUNTANTS*
ABDUL MUNTALIB & YUNUS

00019

Drs. Abdul Muntalib M.S.,Akt., CA., CPA., CPI.,CLI., ACPA
Registrasi Akuntan Publik / *Public Accountant Registration No.AP 0596*
Izin Akuntan Publik / *Public Accountant License No.KEPMEN 911/KM.1/2021*
Izin Kantor Akuntan Publik / *Registered Public Accountant Permi No.KEPMEN 124/KM.1/2016*

18 Januari 2024 / *January 18, 2024*

(Presented in Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2023	2022	
ASET				***ASSETS***
ASET LANCAR				***CURRENT ASSETS***
Kas dan bank	4	23.922.750.016	8.834.805.330	*Cash on hand and in banks*
Piutang usaha				*Trade receivable*
Pihak berelasi	5,22	664.026.419	552.163.658	*Related parties*
Pihak ketiga	5	5.312.935.011	2.651.954.760	*Third parties*
Piutang lain-lain				*Other receivable*
Pihak berelasi	6,22	9.161.215.000	4.592.412.500	*Related parties*
Pihak ketiga	6	2.438.746.227	1.941.267.250	*Third parties*
Uang muka	8	12.912.540.080	4.400.901.115	*Advances payment*
Biaya dibayar dimuka	7	4.199.762.705	2.076.548.825	*Prepaid expenses*
Jumlah Aset Lancar		**58.611.975.458**	**25.050.053.438**	***Total Current Assets***
ASET TIDAK LANCAR				***NON CURRENT ASSET***
Aset tetap - bersih	9	2.751.412.567	1.163.196.620	*Property and equipment - net*
JUMLAH ASET		**61.363.388.025**	**26.213.250.057**	***TOTAL ASSETS***
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS JANGKA PENDEK				***CURRENT LIABILITIES***
Utang usaha				*Trade payables*
Pihak berelasi	10,22	61.079.899	250.745.723	*Related parties*
Pihak ketiga	10	2.396.789.402	48.539.465	*Third parties*
Utang lain-lain		34.612.456	-	*Others payable*
Utang pajak	13	1.130.647.901	1.048.362.153	*Taxes payable*
Biaya yang masih harus dibayar	11	23.320.989.065	8.351.948.183	*Accrued expenses*
Deposit diterima dimuka	12	6.784.472.492	5.704.461.295	*Deposit accepted in advancet*
Jumlah Liabilitas Jangka Pendek		**33.728.591.215**	**15.404.056.818**	***Total Current Liabilities***
LIABILITAS JANGKA PANJANG				***NON CURRENT LIABILITY***
Liabilitas imbalan kerja karyawan	14	1.464.560.512	855.840.117	*Post-employment benefits obligation*
JUMLAH LIABILITAS		**35.193.151.727**	**16.259.896.935**	***TOTAL LIABILITIES***
EKUITAS				***EQUITY***
Modal saham - nilai nominal Rp 720.000 per saham				*Capital stock - IDR 720,000 par value per share*
Modal dasar - 2.000 saham				*Authorized - 2,000 shares*
Modal ditempatkan dan disetor - 2.000 saham	15	1.440.000.000	1.440.000.000	*Issued and fully paid - 2,000 shares*
Selisih kurs modal		138.248.000	138.248.000	*Difference rate on capital*
Saldo laba		24.591.988.298	8.375.105.122	*Retained earnings*
Jumlah Ekuitas		**26.170.236.298**	**9.953.353.122**	***Total Equity***
JUMLAH LIABILITAS DAN EKUITAS		**61.363.388.025**	**26.213.250.057**	***TOTAL LIABILITIES AND EQUITY***

Lihat catatan atas laporan keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

See accompaying notes to financial statements which are an integral part of the financial statements.

(Presented in Rupiah, unless otherwise stated)

	Catatan/ *Notes*	2023	2022	
PENDAPATAN USAHA	16	187.593.306.529	73.183.284.525	***REVENUES***
BEBAN POKOK PENDAPATAN	17	(141.902.555.059)	(54.374.257.405)	***COST OF REVENUES***
LABA KOTOR		**45.690.751.470**	**18.809.027.120**	***GROSS LOSS***
Beban penjualan	18	(10.516.166.397)	(3.677.401.553)	*Selling expense*
Beban umum dan administrasi	19	(22.645.153.147)	(14.529.848.288)	*General and administrative expense*
Beban lainnya	20	(567.509.700)	(813.751.109)	*Other expense*
Pendapatan lainnya	21	4.254.960.950	1.929.637.808	*Other income*
LABA SEBELUM BEBAN PAJAK PENGHASILAN		**16.216.883.176**	**1.717.663.979**	***GAIN BEFORE TAX***
BEBAN PAJAK PENGHASILAN	13	-	-	***INCOME TAX EXPENSE***
Pendapatan komprehensif lain		-	-	***Other comprehensif income***
LABA BERSIH KOMPREHENSIF		**16.216.883.176**	**1.717.663.979**	***NET COMPREHENSIVE GAIN***

Lihat catatan atas laporan keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

See accompaying notes to financial statements which are an integral part of the financial statements.

(Presented in Rupiah, unless otherwise stated)

	Catatan/ *Notes*	Modal Ditempatkan dan Disetor/ *Issued and Fully Paid-in Capital*	Selisih Kurs Modal/ *Difference rate capital*	Saldo Laba/ *Retained earnings*	Jumlah Ekuitas/ *Total Equity*	
Saldo per 1 Januari 2022		**1.440.000.000**	**138.248.000**	**6.657.441.143**	**8.235.689.143**	***Balance as of January 1, 2022***
Laba bersih tahun berjalan		-	-	1.717.663.979	1.717.663.979	*Net gain for the year*
Saldo per 31 Desember 2022		**1.440.000.000**	**138.248.000**	**8.375.105.122**	**9.953.353.122**	***Balance as of December 31, 2022***
Laba bersih tahun berjalan		-	-	16.216.883.176	16.216.883.176	*Net gain for the year*
Saldo per 31 Desember 2023		**1.440.000.000**	**138.248.000**	**24.591.988.298**	**26.170.236.298**	***Balance as of December 31, 2023***

Lihat catatan atas laporan keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

See accompaying notes to financial statements which are an integral part of the financial statements.

(Presented in Rupiah, unless otherwise stated)

	2023	2022	
ARUS KAS DARI AKTIVITAS OPERASI			***CASH FLOW FROM OPERATING ACTIVITIES***
Penerimaan kas dari pelanggan	195.446.333.539	76.709.390.859	*Cash receipt from customers*
Pembayaran kas kepada pemasok dan karyawan	(173.563.312.788)	(73.819.453.461)	*Cash paid to suppliers and employees*
Pembayaran beban keuangan	(457.783.604)	(214.271.070)	*Payments of financial charges*
Kas Bersih Diperoleh Dari Aktivitas Operasi	**21.425.237.147**	**2.675.666.328**	***Net Cash Provided by Operating Activities***
ARUS KAS DARI AKTIVITAS INVESTASI			***CASH FLOWS FROM INVESTING ACTIVITIES***
Hasil penjualan aset tetap	129.550.000	13.248.000	*Proceeds from sale of property and equipment*
Penerimaan bunga	516.353.792	143.252.135	*Interest received*
Perolehan aset tetap	(2.224.727.929)	(47.403.038)	*Acquisitions of property and equipment*
Kas Bersih Diperoleh dari Aktivitas Investasi	**(1.578.824.137)**	**109.097.097**	***Net Cash Provided by Investing Activities***
ARUS KAS DARI AKTIVITAS PENDANAAN			***CASH FLOWS FROM FINANCING ACTIVITIES***
Kenaikan (Penurunan) utang pihak berelasi	(189.665.824)	249.077.040	*Increased (Decreased) of due to related parties*
Kenaikan (Penurunan) piutang lain-lain pihak berelasi	(4.568.802.500)	4.315.399.997	*Increased (Decreased) of other receivable related parties*
Kas Bersih Diperoleh Dari (Digunakan untuk) Aktivitas Pendanaan	**(4.758.468.324)**	**4.564.477.037**	***Net Cash Provided by (Used in) Financing Activities***
KENAIKAN BERSIH KAS DAN BANK	**15.087.944.686**	**7.349.240.461**	***NET INCREASE CASH ON HAND AND IN BANKS***
KAS DAN BANK AWAL TAHUN	8.834.805.330	1.485.564.869	***CASH ON HAND AND IN BANKS AT BEGINNNIG OF YEAR***
KAS DAN BANK AKHIR TAHUN	**23.922.750.016**	**8.834.805.330**	***CASH ON HAND AND IN BANKS AT END OF YEAR***

Lihat catatan atas laporan keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

See accompaying notes to financial statements which are an integral part of the financial statements.

(Presented in Rupiah, unless otherwise stated)

1. UMUM

a. Pendirian dan Informasi Umum

PT. Asian Trails Indonesia didirikan berdasarkan akta notaris Silvia Veronica, S.H. No. 26 tanggal 24 Desember 1999. Akta pendirian ini disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. C-88884 HT.01.04.TH.1999 yang ditetapkan tanggal 24 Mei 1999. Akta Perusahaan telah mengalami beberapa kali perubahan, terakhir kali berdasarkan akta notaris Hendra Justin FU, S.H., M.kn, No. 28 tanggal 28 September 2022, mengenai penyesuaian bidang usaha Perseroan dan perubahan susunan pengurus. Akta perubahan tersebut telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-0197504.AH.01.11.tahun 2022 Tanggal 04 Oktober 2022.

Perusahaan berdomisili di Denpasar Bali dan berkedudukan di Jl. By Pass Ngurah Rai No. 260. Sanur, Denpasar, Bali.

Sesuai dengan pasal 3 anggaran dasar Perusahaan, ruang lingkup kegiatan Perusahaan adalah bergerak di bidang biro perjalanan wisata. Perusahaan mulai beroperasi pada tahun 2007. Perusahaan memiliki karyawan pada tanggal 31 Desember 2023 dan 2022 sebanyak 86 orang dan 68 orang.

Susunan dewan komisaris dan direksi Perusahaan pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

1. GENERAL

a. Establishment and General Information

PT. Asian Trails Indonesia was established based on notarial deed No. 26 of Silvia Veronica, S.H., dated December 24, 1999. The deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. C-88884 HT.01.04.TH.1999 dated May 24, 1999. The Company's articles of association have been amended several times, most recently by notarial deed No. 28 of Hendra Justin FU, S.H., M.kn, dated September 28, 2022, regarding changes to the Company's articles of association. The deed of amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in a Decree No. AHU-0197504.AH.01.11.tahun 2022 on Oktober 04, 2022.

The Company is domiciled in Denpasar Bali and located at Jl. By Pass Ngurah Rai No.260. Sanur, Denpasar, Bali.

In accordance with article 3 of the Company's articles of association, the scope of its activities are tour and traveling business. The Company started its operations in 2007. The Company had total number of employees of 86 and 68 as of December 31, 2023 and 2022.

The Company's management as of December 31, 2023 and 2022 consisted of the following:

	31 Desember 2023 dan 2022 *December 31, 2023 and 2022*	
Presiden Komisaris	Mr. Luzi Andrea Matzig/Lersan Misitsakul	*President Commissioner*
Komisaris	Mr. Dharmayanto Tirtawisata Mr. Laurent Kunzle	*Commissioners*
Presiden Direktur	Mr. Rocky Wisuda Praputranto	*President Director*
Direktur	Mr. Bjorn Schimanski Mr. Sebastian Alex Mendoca	*Directors*

2. IKHTISAR KEBIJAKAN AKUNTANSI

a. Dasar penyusunan laporan keuangan

Laporan keuangan telah disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia ("SAK"), yang mencakup Pernyataan dan Interpretasi yang diterbitkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia.

Laporan keuangan, kecuali laporan arus kas, disusun berdasarkan konsep akrual dan biaya perolehan historis, kecuali beberapa akun tertentu yang diukur dengan cara sebagaimana yang diuraikan dalam kebijakan akuntansi di akun yang bersangkutan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis preparation of financial statements

The financial statements have been prepared in accordance with Financial Accounting Standards in Indonesia ("SAK"), which include the Statement and Interpretation issued by the Financial Accounting Standards Board of the Indonesian Accountants Association.

The financial statements, except for the statement oFFf cash flows, are prepared using the accrual basis and based on historical costs, except for certain accounts which are measured on the bases described in the related accounting policies of those accounts.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

a. Dasar penyusunan laporan keuangan (lanjutan)

Laporan arus kas disajikan dengan menggunakan metode langsung yang mengelompokkan penerimaan dan pengeluaran kas dan bank ke dalam aktivitas operasi, investasi dan pendanaan. Untuk tujuan penyajian laporan arus kas, kas dan bank terdiri dari kas dan bank, simpanan yang sewaktu-waktu bisa dicairkan dan investasi likuid jangka pendek lainnya yang jatuh tempo dalam waktu (tiga) bulan atau kurang, dikurangi dengan cerukan.

Seluruh angka dalam laporan keuangan ini, disajikan dalam Rupiah ("Rp"), kecuali dinyatakan lain.

b. Kas dan bank

Kas dan bank terdiri dari kas dan kas di bank, dan tidak digunakan sebagai jaminan atau dibatasi penggunaannya.

c. Instrumen keuangan

i. Aset keuangan

<u>Pengakuan awal</u>

Aset keuangan diklasifikasikan sebagai aset keuangan yang diukur pada nilai wajar melalui laba rugi, pinjaman yang diberikan dan piutang, investasi dimiliki hingga jatuh tempo, dan aset keuangan tersedia untuk dijual, mana yang sesuai. Perusahaan menetapkan klasifikasi aset keuangan setelah pengakuan awal dan, jika diperbolehkan dan sesuai, akan melakukan evaluasi atas klasifikasi ini pada setiap tanggal pelaporan.

Aset keuangan Perusahaan yang meliputi kas dan bank, piutang usaha, aset keuangan lancar lainnya, piutang pihak berelasi dan aset keuangan tidak lancar lainnya diklasifikasikan sebagai pinjaman yang diberikan dan piutang, sementara investasi pada saham dengan persentase kepemilikan di bawah 20% diklasifikasikan sebagai aset keuangan tersedia untuk dijual.

Pada tanggal 31 Desember 2023 dan 2022, Perusahaan tidak memiliki aset keuangan yang diukur pada nilai wajar melalui laba rugi dan investasi dimiliki hingga jatuh tempo.

Pada saat pengakuan awalnya, aset keuangan diukur pada nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis preparation of financial statements (continued)

The statement of cash flows is presented using the direct method by classifying the receipts and disbursements of cash and cash equivalents into operating, investing and financing activities. For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 (three) months or less, net of bank overdrafts.

All figures in the financial statements are rounded to and expressed in millions of Indonesian Rupiah ("IDR"), unless otherwise stated.

b. Cash and banks

Cash and banks are cash dan cash in banks, and which are not used as collateral or not restricted.

c. Financial instruments

i. Financial assets

<u>Initial recognition</u>

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date.

The Company's financial assets which include cash and cash equivalents, trade receivables, other current financial assets, due from related parties and other non-current financial assets are classified as loans and receivables, while investments in shares with percentage of ownership interest less than 20% are classified as available-for-sale financial assets.

As of December 31, 2023 and 2022, the Company does not have any financial assets at fair value through profit or loss and held-to-maturity investments.

When financial assets are recognized initially, they are measured at fair value plus directly attributable transaction costs.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

c. Instrumen keuangan (lanjutan)

i. Aset keuangan (lanjutan)

Pengukuran setelah pengakuan awal

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak memiliki kuotasi di pasar aktif. Setelah pengakuan awal, aset tersebut dicatat pada biaya perolehan yang diamortisasi dengan menggunakan metode suku bunga efektif (SBE) dan keuntungan atau kerugian terkait diakui dalam laba rugi ketika aset tersebut mengalami penurunan nilai atau melalui proses amortisasi. Arus kas terkait dengan pinjaman yang diberikan dan piutang jangka pendek tidak didiskontokan apabila efek diskonto tidak material.

Aset keuangan tersedia untuk dijual adalah aset keuangan non-derivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan dalam 3 (tiga) kategori lainnya. Setelah pengukuran awal, aset keuangan tersedia untuk dijual diukur dengan nilai wajar dengan keuntungan atau kerugian yang belum terealisasi diakui dalam ekuitas sampai aset tersebut dihentikan pengakuannya.

Penghentian pengakuan

Penghentian pengakuan atas suatu aset keuangan, atau, bila dapat diterapkan untuk bagian dari aset keuangan atau bagian dari kelompok aset keuangan serupa, terjadi bila:

i. hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
ii. Perusahaan mentransfer hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan tersebut atau menanggung kewajiban untuk membayar arus kas yang diterima tersebut tanpa penundaan yang signifikan kepada pihak ketiga melalui suatu kesepakatan penyerahan dan apabila (a) secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, atau (b) secara substansial tidak mentransfer dan tidak mempertahankan seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, namun telah mentransfer pengendalian atas aset keuangan tersebut.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

c. Financial instruments (continued)

i. Financial assets (continued)

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, such assets are carried at amortized cost using the effective interest (EIR) method and the related gains or losses are recognized in profit or loss when the assets are impaired or through amortization process. Cash flows relating to short-term loans and receivables are not discounted if the effect of discounting is immaterial.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the 3 (three) preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized in equity until the assets are derecognized.

Derecognition

A financial asset, or, where applicable a part of a financial asset or part of a group of similar financial assets, is derecognized when:

i. the contractual rights to receive cash flows from the financial asset have expired; or

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

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

c. Instrumen keuangan (lanjutan)

i. Aset keuangan (lanjutan)

Untuk pinjaman yang diberikan dan piutang yang dicatat pada biaya perolehan yang diamortisasi, Perusahaan pertama kali secara individual menentukan bahwa terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang signifikan secara individual, atau secara kolektif untuk aset keuangan yang tidak signifikan secara individual. Jika Perusahaan menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, maka Perusahaan memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan menilai penurunan nilai kelompok tersebut secara kolektif. Aset yang penurunan nilainya dinilai secara individual dan untuk itu kerugian penurunan nilai diakui atau tetap diakui, tidak termasuk dalam penilaian atau penurunan nilai secara kolektif.

Jika terdapat bukti obyektif bahwa kerugian penurunan nilai telah terjadi, maka jumlah kerugian tersebut diukur berdasarkan selisih antara nilai tercatat aset dengan nilai kini estimasi arus kas masa depan (tidak termasuk ekspektasi kerugian kredit masa depan yang belum terjadi).

Nilai kini estimasi arus kas masa depan didiskonto menggunakan SBE awal dari aset keuangan tersebut. Jika pinjaman yang diberikan atau piutang memiliki suku bunga variabel, tingkat diskonto untuk mengukur kerugian penurunan nilai adalah SBE terkini.

Nilai tercatat aset keuangan dikurangi melalui penggunaan akun penyisihan dan jumlah kerugian tersebut diakui secara langsung dalam laba rugi. Pendapatan bunga terus diakui atas nilai tercatat yang telah dikurangi tersebut berdasarkan suku bunga yang digunakan untuk mendiskontokan arus kas masa depan dengan tujuan untuk mengukur kerugian penurunan nilai. Pinjaman yang diberikan dan piutang beserta dengan penyisihan terkait dihapuskan jika tidak terdapat kemungkinan yang realistis atas pemulihan di masa mendatang dan seluruh agunan, jika ada, sudah direalisasi atau ditransfer kepada Perusahaan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

i. Financial assets (continued)

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

When there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred).

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan or receivable has a variable interest rate, the discount rate for measuring impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is directly recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Loans and receivables, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

c. Instrumen keuangan (lanjutan)

i. Aset keuangan (lanjutan)

Ketika penurunan nilai wajar aset keuangan tersedia untuk dijual telah diakui dalam ekuitas dan terdapat bukti obyektif bahwa aset tersebut mengalami penurunan nilai, maka kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus dikeluarkan dari ekuitas dan diakui dalam laba rugi meskipun aset keuangan tersebut belum dihentikan pengakuannya. Jumlah kerugian kumulatif yang dikeluarkan dari ekuitas dan diakui dalam laba rugi merupakan selisih antara biaya perolehan dengan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui dalam laba rugi.

Jika, dalam periode pelaporan berikutnya, nilai estimasi kerugian penurunan nilai aset keuangan bertambah atau berkurang yang dikarenakan peristiwa yang terjadi setelah penurunan nilai diakui, maka kerugian penurunan nilai yang sebelumnya diakui ditambahkan atau dikurangi (dipulihkan) dengan menyesuaikan akun penyisihan. Pemulihan tersebut tidak boleh mengakibatkan nilai tercatat aset keuangan melebihi biaya perolehan yang diamortisasi yang seharusnya jika penurunan nilai tidak diakui pada tanggal pemulihan dilakukan. Jika penghapusan nantinya terpulihkan, jumlah pemulihan aset keuangan diakui dalam laba rugi.

ii. Liabilitas keuangan

Pengakuan awal

Perusahaan mengklasifikasikan semua liabilitas keuangannya ke dalam kategori liabilitas keuangan yang diukur pada biaya perolehan diamortisasi, yang pada awalnya diakui sebesar nilai wajar dan termasuk biaya transaksi yang dapat diatribusikan secara langsung.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

c. *Financial instruments (continued)*

i. *Financial assets (continued)*

When a decline in the fair value of an available-for-sale financial asset has been recognized in equity and there is objective evidence that the assets are impaired, the cumulative loss that had been recognized in equity will be reclassified from equity to profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, in the subsequent reporting period, the amount of the estimated impairment loss increases or decreases because of event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. If a future write-off is later recovered, the recovery is recognized in profit or loss.

ii. *Financial liabilities*

Initial recognition

The Company classifies all its Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

c. Instrumen keuangan (lanjutan)

ii. Liabilitas keuangan (lanjutan)

Pengukuran setelah pengakuan awal

Setelah pengakuan awal, utang dan pinjaman diukur pada biaya perolehan yang diamortisasi dengan menggunakan metode SBE dan keuntungan atau kerugian terkait diakui dalam laba rugi melalui proses amortisasi. Biaya perolehan yang diamortisasi diukur dengan menggunakan metode SBE dikurangi penyisihan penurunan nilai dan pembayaran atau pengurangan pokok. Perhitungan ini mencakup seluruh premi atau diskonto pada saat perolehan dan mencakup biaya transaksi serta komisi yang merupakan bagian tak terpisahkan dari SBE. Arus kas terkait dengan pinjaman dan utang jangka pendek tidak didiskontokan apabila efek diskonto tidak material.

Penghentian pengakuan

Suatu liabilitas keuangan dihentikan pengakuannya pada saat kewajiban yang ditetapkan dalam kontrak dihentikan, dibatalkan atau kadaluwarsa.

Ketika suatu liabilitas keuangan ditukar dengan liabilitas keuangan lain dari pemberi pinjaman yang sama atas persyaratan yang secara substansial berbeda, atau bila persyaratan dari liabilitas keuangan tersebut dimodifikasi secara substansial, pertukaran atau modifikasi persyaratan tersebut dicatat sebagai penghentian pengakuan liabilitas keuangan awal dan pengakuan liabilitas keuangan baru, dan selisih antara nilai tercatat masing-masing liabilitas keuangan tersebut diakui dalam laba rugi.

iii. Saling hapus instrumen keuangan

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya disajikan dalam laporan posisi keuangan jika, dan hanya jika, terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui dari aset keuangan dan liabilitas keuangan tersebut dan terdapat intensi untuk menyelesaikan dengan menggunakan dasar neto, atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara bersamaan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

ii. Financial liabilities (continued)

Subsequent measurement

Subsequent to initial recognition, loans and borrowings are measured at amortized costs using the EIR method and the related gains and losses are recognized in profit or loss through amortization process. Amortized cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR. Cash flows relating to short-term loans and borrowings are not discounted if the effect of discounting is immaterial.

Derecognition

A financial liability is derecognized when the obligation under the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

iii. Offsetting of financial instruments

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

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

c. Instrumen keuangan (lanjutan)

iv. Nilai wajar instrumen keuangan

Nilai wajar instrumen keuangan yang tidak diperdagangkan di pasar aktif ditentukan dengan menggunakan teknik penilaian. Teknik penilaian tersebut meliputi penggunaan transaksi pasar terkini yang dilakukan secara wajar oleh pihak-pihak yang berkeinginan dan memahami (*recent arm's-length market transaction*), referensi atas nilai wajar terkini dari instrumen lain yang secara substansial sama, analisis arus kas yang didiskonto, atau model penilaian lainnya.

d. Transaksi dan saldo dalam mata uang asing

i. Mata uang fungsional dan penyajian

Pos-pos dalam laporan keuangan dari setiap entitas dalam Perusahaan diukur dalam mata uang pada lingkungan ekonomi utama dimana entitas beroperasi ("mata uang fungsional"). Laporan keuangan disajikan dalam Rupiah, yang merupakan mata uang fungsional dan penyajian Perusahaan.

ii. Transaksi dan saldo dalam mata uang asing.

Transaksi dalam mata uang selain mata uang Rupiah dijabarkan menjadi mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi.

Nilai tukar mata uang asing terhadap Rupiah pada tanggal 31 Desember 2023 dan 2022 (berdasarkan kurs yang ditetapkan oleh Thomas Cook Group) adalah sebagai berikut:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

iv. Fair value of financial instruments

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. Such techniques may include using recent arm's-length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

d. Transactions and balances in foreign currencies

i. Functional and presentation currency

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Rupiah, which is the Company's functional and presentation currency.

ii. Transactions and balances in foreign currencies

Transactions denominated in currencies other than Rupiah are converted into Rupiah at the rates prevailing as of the date of the transaction.

The exchange rate of foreign currency against Rupiah on December 31, 2023 and 2022 (based on the exchange rate set by the Thomas Cook Group) were as follows:

	31 Desember 2023/ *December 31, 2023*	31 Desember 2022/ *December 31, 2022*	
1 Dolar Amerika Serikat	15.396,99	15.567,50	*United States of America Dollar 1*
1 Euro	17.008,37	16.614,37	*Euro 1*

Keuntungan atau kerugian dari selisih kurs, yang sudah terealisasi maupun yang belum, baik yang berasal dari transaksi dalam mata uang asing maupun penjabaran aset dan liabilitas moneter dibebankan dalam laba rugi, kecuali jika ditangguhkan dalam penghasilan komprehensif lain sebagai lindung nilai arus kas dan lindung nilai investasi neto yang memenuhi syarat.

Realized or unrealized foreign exchange gains or losses arising from transactions in foreign currency and from the translation of foreign currency monetary assets and liabilities are recognized in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

e. Transaksi dengan pihak-pihak berelasi

Pihak berelasi adalah orang atau entitas yang terkait dengan entitas yang menyiapkan laporan keuangannya.

i. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:

1). Memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
2). Memiliki pengaruh signifikan atas entitas pelapor; atau
3). Personil manajemen kunci entitas pelapor atau entitas induk entitas pelapor.

ii. Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:

1). Entitas dan entitas pelapor adalah anggota dari Perusahaan yang sama (artinya entitas induk, entitas anak dan entitas anak berikutnya terkait dengan entitas lain);
2). Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu Perusahaan, yang mana entitas lain tersebut adalah anggotanya);
3). Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
4). Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
5). Entitas tersebut adalah suatu program imbalan pasca-kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor;
6). Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf i);
7). Orang yang diidentifikasi dalam huruf i) 1) memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas (atau entitas induk dari entitas); dan
8). Entitas, atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelapor.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Transactions with related parties

A related party is a person or entity that is related to the entity preparing its financial statements.

i. A person or a close member of that person's family is related to reporting entity if that person:

1). Has control or joint control over the reporting entity;
2). Has significant influence over the reporting entity; or
3). Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

ii. An entity is related to a reporting entity if any the following conditions applies:

1). The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
2). One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
3). Both entities are joint ventures of the third party.
4). One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
5). The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
6). The entity is a controlled or jointly controlled by a person identified in i).
7). A person identified in i) 1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
8). An entity, or member of a group where the entity is part of the group, provides services to key management personnel to the reporting entity or to the parent entity of the reporting entity.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

e. Transaksi dengan pihak-pihak berelasi (lanjutan)

Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak, dimana persyaratan tersebut mungkin tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi.

f. Biaya dibayar dimuka

Biaya dibayar dimuka diamortisasi berdasarkan masa manfaatnya dengan menggunakan metode garis lurus (*straight-line method*).

g. Aset tetap

Seluruh aset tetap awalnya diakui sebesar biaya perolehan, yang terdiri atas harga perolehan dan biaya-biaya tambahan yang dapat diatribusikan langsung untuk membawa aset ke lokasi dan kondisi yang diinginkan supaya aset tersebut siap digunakan sesuai dengan maksud manajemen.

Aset tetap dinyatakan sebesar biaya perolehan dikurangi dengan akumulasi penyusutan dan penyisihan penurunan nilai. Tanah tidak disusutkan. Termasuk juga ke dalam biaya perolehan adalah biaya-biaya penggantian bagian dari aset tetap jika biaya itu terjadi, dan apabila terdapat kemungkinan yang besar bahwa Perusahaan akan mendapat manfaat ekonomis di masa depan dari bagian aset tersebut serta biaya perolehannya dapat diukur secara andal.

Demikian pula, pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam jumlah tercatat *(carrying amount)* aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laba rugi pada saat terjadinya.

Biaya legal awal yang terjadi untuk memperoleh hak atas tanah diakui sebagai bagian dari biaya akuisisi.

Penyusutan dihitung dengan menggunakan metode garis lurus selama estimasi masa manfaat aset tetap yang bersangkutan yaitu sebagai berikut:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Transactions with related parties (continued)

This transaction is carried out based on terms agreed by both parties, where such requirements may not be the same as other transactions conducted with unrelated parties.

f. Prepaid expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

g. Fixed assets

All fixed assets are initially recognized at cost, which comprises the purchase price and any costs directly attributable in bringing the assets to the location and condition necessary for the assets to be capable of operating in the manner intended by management.

Fixed assets are stated at cost less accumulated depreciation and allowance for impairment. Land is not depreciated. The cost includes the cost of replacing part of the fixed assets when that cost is incurred, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Initial legal costs incurred to obtain legal rights of land are recognized as part of the acquisition costs.

Depreciation is calculated using the straight-line method over the estimated useful lifes of the assets as follows:

	Tahun/*Year*	
Lisensi	4	*Licence*
Instalasi	4	*Instalation*
Furnitur kantor	4	*Office furniture*
Kendaraan	4	*Vehicles*
Perlengkapan kantor	4	*Office supplies*

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

g. Aset tetap (lanjutan)

Aset dalam penyelesaian merupakan biaya-biaya yang berhubungan langsung dengan pembangunan dan akuisisi aset tetap, termasuk biaya pendanaan, jika ada. Biaya-biaya tersebut akan dipindahkan ke aset tetap yang bersangkutan pada saat pembangunannya telah selesai. Penyusutan mulai dibebankan pada saat aset tersebut siap digunakan.
Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis di masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset, yang merupakan perbedaan antara jumlah neto hasil pelepasan dengan jumlah tercatatnya, disajikan dalam laba rugi.

Nilai residu, umur manfaat dan metode penyusutan ditinjau ulang dan, jika diperlukan, akan disesuaikan secara prospektif pada setiap tanggal pelaporan.

h. Penurunan nilai aset non-keuangan

Aset yang memiliki umur manfaat tidak terbatas, sebagai contoh goodwill atau aset tak berwujud yang belum siap digunakan, tidak diamortisasi dan dilakukan pengujian penurunan nilai secara tahunan, atau lebih sering apabila terdapat peristiwa atau perubahan pada kondisi yang mengindikasikan kemungkinan penurunan nilai.

Aset yang diamortisasi atau disusutkan ditinjau ulang ketika *terdapat* indikasi bahwa jumlah tercatatnya mungkin tidak dapat dipulihkan. Penurunan nilai diakui jika jumlah tercatat aset melebihi jumlah terpulihkan. Jumlah terpulihkan adalah nilai yang lebih tinggi antara nilai wajar aset dikurangi biaya untuk menjual dan nilai pakai aset. Dalam menentukan penurunan nilai, aset dikelompokkan sampai tingkat yang paling rendah dimana arus kasnya dapat diidentifikasi ("UPK"). Aset non-keuangan selain *goodwill* yang mengalami penurunan nilai ditinjau ulang pada setiap tanggal pelaporan untuk menentukan apakah terdapat kemungkinan pemulihan penurunan nilai.

Pemulihan kerugian penurunan nilai untuk aset selain *goodwill*, diakui jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak peninjauan ulang penurunan nilai yang terakhir. Pembalikan kerugian penurunan nilai tersebut diakui segera dalam laba rugi, kecuali untuk aset yang disajikan pada jumlah revaluasian yang diatur PSAK lain. Kerugian penurunan nilai yang diakui atas *goodwill* tidak dibalik kembali.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Fixed assets (continued)

Construction in progress represents costs directly attributable to the construction and acquisition of fixed assets, including financial costs, if any. These costs are transferred to the relevant asset account when the construction is complete. Depreciation is charged from the date the assets are ready for use.

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit or loss.

The residual values, useful lifes and methods of depreciation are reviewed, and adjusted prospectively, if appropriate, at each reporting date.

h. Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready for use - are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Assets that are subject to amortization or 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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("CGU"). Non-financial assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

Reversal on impairment loss for assets other than goodwill would be recognized if there had been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment loss will be immediately recognized in profit or loss, except for assets measured using the revaluation model as required by other PSAK. Impairment loss relating to goodwill would not be reversed.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

i. Modal saham

Biaya tambahan yang secara langsung dapat diatribusikan kepada penerbitan saham biasa atau opsi disajikan pada ekuitas sebagai pengurang penerimaan, setelah dikurangi pajak.

Ketika Perusahaan membeli modal saham ekuitas entitas (saham treasuri), imbalan yang dibayar, termasuk biaya tambahan yang secara langsung dapat diatribusikan (dikurangi pajak penghasilan) dikurangkan dari ekuitas yang diatribusikan kepada pemilik ekuitas entitas sampai saham tersebut dibatalkan atau diterbitkan kembali. Ketika saham biasa tersebut selanjutnya diterbitkan kembali, imbalan yang diterima, dikurangi biaya tambahan transaksi yang terkait dan dampak pajak penghasilan yang terkait dimasukkan pada ekuitas yang dapat diatribusikan kepada pemilik Entitas Induk.

j. Imbalan kerja

i. Program imbalan pasti

Liabilitas program pensiun imbalan pasti yang diakui dalam laporan posisi keuangan adalah nilai kini kewajiban imbalan pasti pada tanggal pelaporan dikurangi nilai wajar aset program. Perhitungan tersebut dilakukan oleh aktuaris independen dengan menggunakan metode *projected unit credit*. Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas keluar di masa depan menggunakan tingkat bunga obligasi pemerintah dengan pertimbangan bahwa pada saat ini tidak terdapat pasar aktif untuk obligasi korporasi yang berkualitas tinggi yang memiliki periode jatuh temponya berdekatan dengan periode liabilitas tersebut.
Beban yang diakui di laba rugi termasuk biaya jasa kini, beban/pendapatan bunga, biaya jasa lalu dan keuntungan/kerugian penyelesaian.

Pengukuran kembali program imbalan pasti diakui dalam penghasilan komprehensif lain. Pengukuran kembali terdiri dari keuntungan dan kerugian aktuaria, imbal hasil aset program (diluar pendapatan bunga yang sudah diakumulasi dalam perhitungan bunga neto/aset) dan setiap perubahan atas dampak batas atas aset (diluar pendapatan bunga yang sudah diakumulasi dalam perhitungan bunga neto/aset).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Capital stock

Additional costs that are directly attributable to the issuance of ordinary shares or options are presented in equity as deduction from income, net of tax.

When the Company purchases the entity's equity capital (treasury shares), the benefits paid, including additional costs that are directly attributable (less income tax) are deducted from equity attributable to the owners of the equity until the shares are canceled or reissued. When the ordinary shares are subsequently reissued, the benefits received, less the related transaction costs and the related income tax effects are included in equity which can be attributed to the owners of the Parent Entity.

j. Employee benefits

i. Defined benefit plans

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The calculation is performed by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bond interest rates considering currently there is no deep market for high quality corporate bonds that have terms to maturity approximating the terms of the related liability.

Expense charged to profit or loss includes current service costs, interest expense/income, past-service cost and gains and losses on settlements.

Remeasurements of defined benefit plans are recognized in other comprehensive income. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability/asset).

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

j. Imbalan kerja (lanjutan)

i. Program imbalan pasti (lanjutan)

Biaya jasa lalu diakui segera dalam laba rugi, kecuali perubahan pada program pensiun tergantung pada kondisi karyawan memberikan jasanya selama periode tertentu (periode *vesting*). Dalam hal ini, biaya jasa lalu diamortisasi dengan menggunakan metode garis lurus sepanjang periode *vesting*.

Keuntungan dan kerugian atas kurtailmen diakui ketika terdapat komitmen untuk mengurangi jumlah karyawan yang tercakup dalam suatu program secara signifikan atau ketika terdapat perubahan ketentuan dalam program imbalan pasti yang menyebabkan bagian yang material dari jasa masa depan, karyawan tidak lagi memberikan imbalan atau memberikan imbalan yang lebih rendah.

Program imbalan pasti yang diselenggarakan oleh Perusahaan meliputi pensiun imbalan pasti dan kewajiban imbalan pasti berdasarkan Undang-Undang ("UU") Ketenagakerjaan No. 13/2003 atau Kontrak Kerja Bersama ("KKB"), mana yang lebih tinggi.

ii. Program iuran pasti

Program iuran pasti merupakan program imbalan pasca kerja, dimana entitas membayar iuran tetap kepada suatu entitas terpisah dan tidak memiliki kewajiban hukum ataupun konstruktif untuk membayar iuran lebih lanjut. Kewajiban untuk membayar iuran secara reguler merupakan biaya imbalan kerja karyawan untuk tahun dimana jasa diberikan oleh karyawan.

iii. Imbalan kerja jangka panjang lainnya

Karyawan Perusahaan memiliki hak untuk menerima penghargaan masa kerja untuk jangka waktu tertentu dalam bentuk kas dalam jumlah tertentu atau barang, yang disebut Ulang Tahun Dinas ("UTD") atau cuti berimbalan jangka panjang ("cuti besar") dalam bentuk jumlah hari cuti berdasarkan periode jasa yang dipersyaratkan.

Kewajiban terkait dengan UTD dihitung oleh aktuaris independen dengan menggunakan metode *projected unit credit* dan dibayarkan pada saat karyawan mencapai UTD tertentu selama masa kerjanya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Employee benefits (continued)

i. Defined benefit plans (continued)

Past-service costs are recognized immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

Gains and losses on curtailment are recognized when there is a commitment to make a material reduction in the number of employees covered by a plan or when there is an amendment of defined benefit plan terms such as that a material element of future services to be provided by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

The defined benefit plans provided by the Company cover defined benefit pension and defined benefit obligation under Labour Law No. 13/2003 ("Labour Law") or the Collective Labour Agreement (the "CLA"), whichever is higher.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for the regular contributions constitute employee benefit costs for the year during which services are rendered by employees.

iii. Other long-term benefits

Employees of the Company are entitled to receive long service awards, namely Ulang Tahun Dinas ("UTD") in the form of certain cash awards or goods and long-service paid leave ("LSL") in the form of a certain number of days of leave benefits based on the length of service requirements.

The obligation with respect to UTD is calculated by an independent actuary using the projected unit credit method, and paid at the time the employees reach certain anniversary dates during employment.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

j. Imbalan Kerja (lanjutan)

iii. Imbalan kerja jangka panjang lainnya (lanjutan)

Cuti besar merupakan imbalan sejumlah hari cuti tertentu, yang tergantung pada persetujuan manajemen, diberikan kepada karyawan yang telah memenuhi persyaratan jumlah tahun memberikan jasa.

Biaya jasa lalu dan keuntungan atau kerugian aktuarial yang timbul dari penyesuaian akibat perbedaan antara asumsi aktuarial dan kenyataan dan perubahan asumsi-asumsi aktuarial dibebankan secara langsung ke laba rugi.

k. Pengakuan pendapatan dan beban

i. Penjualan jasa

Pendapatan dari penjualan jasa diakui dalam laba rugi pada saat jasa diberikan. Untuk penjualan jasa yang mengacu pada tingkat penyelesaian dari transaksi pada tanggal pelaporan, tingkat penyelesaian transaksi ditentukan dengan memperhatikan survei pekerjaan yang telah dilaksanakan.

Pendapatan dari penjualan jasa diakui pada saat terpenuhinya seluruh kondisi berikut:

- jumlah pendapatan dapat diukur secara andal;
- besar kemungkinan manfaat ekonomi sehubungan dengan transaksi tersebut akan mengalir ke Perusahaan;
- tingkat penyelesaian dari suatu transaksi pada tanggal pelaporan dapat diukur secara andal; dan
- biaya yang timbul untuk transaksi dan biaya untuk menyelesaikan transaksi tersebut dapat diukur dengan andal.

Bila hasil transaksi penjualan jasa tidak dapat diestimasi dengan andal, pendapatan yang diakui hanya sebesar beban yang telah diakui yang dapat diperoleh kembali. Taksiran rugi pada jasa segera diakui dalam laba rugi.

ii. Beban

Beban diakui pada saat terjadinya berdasarkan konsep akrual.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Employee Benefits (continued)

iii. Other long-term benefits (continued)

LSL is a certain number of days leave benefit, subject to approval by management, provided to employees who have met the requisite number of years of service.

Past service cost and actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged immediately to profit or loss.

k. Revenues and expenses recognition

i. Sales of services

Revenue from sales of services is recognized in profit or loss when the services are rendered. For sales of services in which the service are rendered by reference to the stage of completion of the transaction at the reporting date, the stage of completion is assessed by reference to surveys of work performed.

Revenue from rendering of services is recognized when all of the following conditions are met:

- *the amount of revenue can be measured reliably;*
- *it is probable that the economic benefits associated with the transaction will flow to the Company;*
- *the stage of completion of the transaction at the reporting date can be measured reliably; and*
- *the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.*

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable. An expected loss on a service is recognized immediately in profit or loss.

ii. Expenses

Expenses are recognized when incurred on an accrual basis.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

l. Perpajakan

Pajak kini

Aset dan liabilitas pajak kini untuk periode berjalan diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan. Beban pajak kini ditentukan berdasarkan estimasi penghasilan kena pajak periode berjalan yang dihitung berdasarkan tarif pajak yang berlaku.

Kekurangan pembayaran pajak penghasilan dicatat sebagai bagian dari beban pajak kini dalam laba rugi. Perusahaan juga menyajikan bunga/denda, jika ada, sebagai bagian dari beban pajak kini.
Koreksi terhadap liabilitas perpajakan diakui pada saat surat ketetapan pajak diterima atau, jika diajukan keberatan, pada saat keputusan atas keberatan ditetapkan.

Pajak tangguhan

Aset dan liabilitas pajak tangguhan diakui menggunakan metode liabilitas atas konsekuensi pajak pada masa mendatang yang timbul dari perbedaan jumlah tercatat aset dan liabilitas menurut laporan keuangan dengan dasar pengenaan pajak aset dan liabilitas pada setiap tanggal pelaporan. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk semua perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal, sepanjang besar kemungkinan perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal tersebut dapat dimanfaatkan untuk mengurangi penghasilan kena pajak pada masa depan.

Jumlah tercatat aset pajak tangguhan ditelaah ulang pada akhir setiap periode pelaporan dan diturunkan apabila penghasilan kena pajak mungkin tidak memadai untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan tersebut. Pada akhir setiap periode pelaporan, Perusahaan menilai kembali aset pajak tangguhan yang tidak diakui. Perusahaan mengakui aset pajak tangguhan yang sebelumnya tidak diakui apabila besar kemungkinan bahwa penghasilan kena pajak pada masa depan akan tersedia untuk pemulihannya.

Pajak tangguhan dihitung dengan menggunakan tarif pajak yang berlaku atau secara substansial telah berlaku pada tanggal pelaporan. Perubahan nilai tercatat aset dan liabilitas pajak tangguhan yang disebabkan oleh perubahan tarif pajak dibebankan pada laba rugi periode berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Taxation

Current tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. Current tax expense is determined based on the estimated taxable income for the period computed using the prevailing tax rates.

Underpayment of income tax are presented as part of current tax expense in profit or loss. The Company also presented interest/penalty, if any, as part of current tax expense.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable income will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period profit or loss, except to the extent that they relate to items previously charged or credited to equity.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

l. Perpajakan (lanjutan)

Aset dan liabilitas pajak tangguhan disajikan secara saling hapus dalam laporan posisi keuangan konsolidasian, kecuali aset dan liabilitas pajak tangguhan untuk entitas yang berbeda, sesuai dengan penyajian aset dan liabilitas pajak kini.

m. Provisi

Provisi diakui jika, sebagai akibat peristiwa masa lalu, Perusahaan memiliki kewajiban kini, baik bersifat hukum maupun bersifat konstruktif yang dapat diukur secara andal dan kemungkinan besar penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi. Jika dampak nilai waktu uang cukup material, maka provisi dinyatakan pada estimasi nilai kini dari jumlah kewajiban yang harus diselesaikan.

n. Peristiwa setelah periode pelaporan

Peristiwa setelah periode pelaporan yang memberikan informasi tambahan atas posisi Perusahaan pada akhir periode pelaporan (peristiwa yang memerlukan penyesuaian) tercermin dalam laporan keuangan.

Peristiwa setelah periode pelaporan yang tidak memerlukan penyesuaian diungkapkan dalam catatan atas laporan keuangan apabila material.

o. Pernyataan dan Interpretasi Standar Akutansi Baru dan Revisi yang berlaku Efektif pada Tahun Berjalan

Standar Akuntansi Keuangan ("SAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") yang Diterbitkan dan Berlaku Efektif pada 1 Januari 2023 :
- Amendemen PSAK 1: Penyajian Laporan Keuangan terkait Pengungkapan Kebijakan Akuntansi
- Amendemen PSAK 1: Penyajian Laporan Keuangan tentang Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang
- Amendemen PSAK 16: Aset Tetap tentang Hasil sebelum Penggunaan yang Diitensikan
- Amendemen PSAK 25: Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan terkait Definisi Estimasi Akuntansi
- Amendemen PSAK 46: Pajak Penghasilan tentang Pajak Tangguhan terkait Aset dan Liabilitas yang Timbul dari Transaksi Tunggal

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

l. Taxation (continued)

Deferred tax assets and liabilities are offset in the consolidated statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

m. Provision

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the time value of money is material, provision is stated at the present value of the expenditure expected to be required to settle the obligation.

n. Events after the reporting period

Events after the reporting period that provide additional information on the Company's position at the end of the reporting period (events that require adjustments) are reflected in the financial statements.

Events after the reporting period that do not require adjustments are disclosed in the notes to the financial statements if material.

o. Standars, Amendments/Improvements and Interpretation to Standars Effective in the Current Year

Financial Accounting Standards ("SAKs") and Interpretation to Financial Accounting Standards ("ISAKs") Issued and Effective on January 1, 2023
- Amendments to PSAK 1: Presentation of Financial Statements related to Disclosure Accounting Policies
- Amendments to PSAK 1: Presentation of Financial Statements related to Classification of Liabilities as Current or Non-current
- Amendments to PSAK 16: Poperty and Equipment regarding Proceeds before Intended Use
- Amendments to PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors related to the Definition of Accounting Estimated
- Amendments to PSAK 46: Income taxes regarding Deferred Tax related to Assets and Liabilities arising from a Single TransactionThe following are amendments to financial accounting standard issued that are mandatory for the financial year beginning or after

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

o. Pernyataan dan Interpretasi Standar Akuntansi Baru dan Revisi yang Berlaku Efektif pada Tahun Berjalan (lanjutan)

Standar Akuntansi Keuangan ("SAK") dan Interpretasi Standar Standar ("SAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") yang Diterbitkan Namun Belum Berlaku Efektif (pada atau setelah 1 Januari 2024)
- Amendemen PSAK 1: Penyajian Laporan Keuangan terkait Liabilitas Jangka Panjang dengan Kovenan
- Amendemen PSAK 73: Sewa terkait Liabilitas Sewa pada Transaksi Jual dan Sewa-balik1 Januari 2023

Standar Akuntansi Keuangan ("SAK") dan Interpretasi Standar Standar ("SAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") yang Diterbitkan Namun Belum Berlaku Efektif (pada atau setelah 1 Januari 2025)
- PSAK 74: Kontrak Asuransi
- Amendemen PSAK 74: Kontrak Asuransi tentang Penerapan Awal PSAK 74 dan PSAK 71 - Informasi Komparatif

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Standards, Amendments/Improvements and Interpretation to Standards Effective in the Current Year (continued)

Financial Accounting Standards ("SAKs") and Interpretation to Financial Accounting Standards ("ISAKs") Issued but Not Yet Effective (on or after January 1, 2024)

- Amendments to PSAK 1: Presentation of Financial Statements related to Non-current Liabilities with the Covenant
- Amendments to PSAK 73: Leases related to Lease Liabilities in Sale and Lease Back Transactions

Financial Accounting Standards ("SAKs") and Interpretation to Financial Accounting Standards ("ISAKs") Issued but Not Yet Effective (on or after January 1, 2025)

- PSAK 74: Insurance Contract
- Amendments to PSAK 74: Insurance Contracts regarding Initial Application of PSAK 74 and PSAK 71 - Comparative Information

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI SIGNIFIKAN

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan di Indonesia mewajibkan manajemen untuk membuat estimasi dan asumsi yang mempengaruhi jumlah-jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan liabilitas kontinjensi pada tanggal pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian nilai tercatat aset dan liabilitas dalam periode pelaporan berikutnya.

a. Pertimbangan

Pertimbangan-pertimbangan berikut dibuat oleh manajemen dalam proses penerapan kebijakan akuntansi Perusahaan yang memiliki dampak yang paling signifikan terhadap jumlah-jumlah yang diakui dalam laporan keuangan:

<u>Penentuan Mata Uang Fungsional</u>

Berdasarkan substansi ekonomis dari kondisi yang sesuai dengan Perusahaan, mata uang fungsional telah ditentukan berupa Rupiah, karena hal ini berkaitan dengan fakta bahwa mayoritas bisnis Perusahaan dipengaruhi oleh lingkungan ekonomi utama dimana Perusahaan beroperasi dan harga jual jasa dan barang dalam mata uang Rupiah.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make judgments of estimations and assumptions that affect the amounts reported on income, expenses, assets and liabilities and disclosures of Contingent liabilities at the reporting date. The estimation uncertainty may cause adjustment to the carrying amounts of assets and liabilities within the next reporting period.

a. Judgements

The following judgements, made by management in the process of applying the Company's accounting policies, have the most significant effects on the amounts recognized in the consolidated financial statements:

<u>Determination of functional currency</u>

Based on the economic substance of conditions that are in accordance with the Company, the functional currency has been determined in the form of Rupiah, because this relates to the fact that the majority of the Company's business is affected by the main economic environment in which the Company operates and the selling price of services and goods in Rupiah.

3. PERTIMBANGAN, ESTIMASI DAN AKUNTANSI SIGNIFIKAN (lanjutan)

a. Pertimbangan (lanjutan)

Klasifikasi aset keuangan dan liabilitas keuangan

Perusahaan menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK No. 55 (Revisi 2014) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Perusahaan seperti diungkapkan pada Catatan 2c.

b. Estimasi dan asumsi

Asumsi utama mengenai masa depan dan sumber utama lain dalam mengestimasi ketidakpastian pada tanggal pelaporan yang mempunyai risiko signifikan yang dapat menyebabkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya diungkapkan di bawah ini. Perusahaan mendasarkan asumsi dan estimasi pada parameter yang tersedia saat laporan keuangan disusun. Kondisi yang ada dan asumsi mengenai perkembangan masa depan dapat berubah karena perubahan situasi pasar yang berada di luar kendali Perusahaan. Perubahan tersebut tercermin dalam asumsi ketika keadaan tersebut terjadi.

Penurunan nilai aset keuangan

Penyisihan dibentuk berdasarkan pengalaman penagihan masa lalu dan faktor-faktor lainnya yang mungkin mempengaruhi kolektibilitas, antara lain kemungkinan kesulitan likuiditas atau kesulitan keuangan yang signifikan yang dialami oleh debitur atau penundaan pembayaran yang signifikan.

Jika terdapat bukti obyektif penurunan nilai, maka saat dan besaran total yang dapat ditagih diestimasi berdasarkan pengalaman kerugian masa lalu. Penyisihan penurunan nilai dibentuk atas akun-akun yang diidentifikasi secara spesifik telah mengalami penurunan nilai. Akun pinjaman dan piutang dihapusbukukan berdasarkan keputusan manajemen bahwa aset keuangan tersebut tidak dapat ditagih atau direalisasi meskipun segala cara dan tindakan telah dilaksanakan. Suatu evaluasi atas piutang, yang bertujuan untuk mengindentifikasi total penyisihan yang harus dibentuk, dilakukan secara berkala sepanjang tahun. Oleh karena itu, saat dan besaran total penyisihan penurunan nilai yang tercatat pada setiap tahun dapat berbeda tergantung pada pertimbangan dan estimasi yang digunakan.

3. *SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)MSI*

a. Judgements (continued)

Classification of financial assets and financial liabilities

The Company determines the classification of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Notes 2c.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are disclosed below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes on circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of financial assets

The level of allowance is based on past collection experience and other factors that may affect collectability such as the probability of insolvency or significant financial difficulties of the debtor or significant delay in payments.

If there is objective evidence of impairment, timing and collectible amounts are estimated based on historical loss data. Allowance for impairment is provided on accounts specifically identified as impaired. Loans and receivables written off are based on management's decisions that the financial assets are uncollectible or cannot be realized regardless of actions taken. Evaluation of receivables to determine the total allowance to be provided is performed periodically during the year. Therefore, the timing and amount of allowance for impairment recorded in each year might differ based on the judgements and estimates that have been used.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI SIGNIFIKAN (lanjutan)

b. Estimasi dan asumsi (lanjutan)

Penentuan nilai wajar dikurangi biaya untuk menjual atau nilai pakai mengharuskan manajemen untuk membuat estimasi dan asumsi mengenai pendapatan, biaya operasi, dan pengeluaran modal di masa depan. Estimasi dan asumsi ini mengandung risiko dan ketidakpastian; sehingga ada kemungkinan perubahan situasi dapat mengubah proyeksi ini, yang dapat mempengaruhi nilai aset yang dapat dipulihkan kembali. Dalam keadaan seperti itu, sebagian atau seluruh jumlah tercatat aset mungkin akan mengalami penurunan nilai lebih lanjut atau terjadi pengurangan penyisihan penurunan nilai.

Penyusutan, estimasi nilai sisa dan masa manfaat aset tetap

Masa manfaat aset tetap Perusahaan diestimasi berdasarkan jangka waktu aset tersebut diperkirakan dapat digunakan. Estimasi tersebut didasarkan pada penilaian kolektif berdasarkan bidang usaha yang sama, evaluasi teknis internal dan pengalaman terhadap aset sejenis. Taksiran masa manfaat setiap aset ditelaah secara berkala dan diperbarui jika estimasi berbeda dari perkiraan sebelumnya yang disebabkan karena pemakaian, usang secara teknis atau komersial serta keterbatasan hak atau pembatasan lainnya terhadap penggunaan aset.

Hasil operasi di masa mendatang mungkin dapat terpengaruh secara signifikan oleh perubahan dalam waktu dan biaya yang terjadi karena perubahan yang disebabkan oleh faktor-faktor yang disebutkan di atas. Penurunan taksiran masa manfaat ekonomis setiap aset tetap akan menyebabkan kenaikan beban penyusutan dan penurunan nilai tercatat aset tetap.

Imbalan kerja

Penentuan liabilitas imbalan kerja Perusahaan bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji, tingkat kematian, usia pensiun dan tingkat pengunduran diri. Hasil aktual yang berbeda dari asumsi yang ditetapkan Perusahaan diakui dalam penghasilan komprehensif lain. Sementara Perusahaan berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan Perusahaan dapat mempengaruhi secara material liabilitas imbalan kerja dan beban imbalan kerja neto yang diakui dalam laba rugi dan penghasilan komprehensif lain.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

The determination of fair value less costs to sell or value in use requires management to make estimates and assumptions about expected revenue, operating costs and future capital expenditure. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may have an impact on the recoverable amount of the assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired, or the allowance for impairment may be reduced.

Depreciation, estimate of residual values and useful lives of fixed assets and investment properties

The useful lifes of the Company's fixed assets and investment properties are estimated based on the period over which the assets are expected to be available for use. Such estimation is based on a collective assessment of similar businesses, internal technical evaluations and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of fixed assets and investment properties would increase the recorded depreciation and decrease the carrying values of fixed assets and investment properties.

Employee benefits

The determination of the Company's employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, salary increase rate, mortality rate, retirement age and resignation rate. Actual results that differ from the Company's assumptions are recognized in other comprehensive income. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company actual results or significant changes in the Company's assumptions may materially affect its estimated liabilities for employee benefits and net employee benefits expense recognized in profit or loss and other comprehensive income.

(Presented in Rupiah, unless otherwise stated)

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI SIGNIFIKAN (lanjutan)

b. Estimasi dan asumsi (lanjutan)

Beban pajak kini

Perusahaan mengakui beban pajak kini berdasarkan estimasi penghasilan kena pajak periode berjalan yang dihitung berdasarkan tarif pajak yang berlaku.

Aset pajak tangguhan

Aset pajak tangguhan diakui untuk semua perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal, sepanjang besar kemungkinan perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal tersebut dapat dimanfaatkan untuk mengurangi penghasilan kena pajak pada masa depan. Estimasi signifikan oleh manajemen disyaratkan dalam menentukan total aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat penghasilan kena pajak serta strategi perencanaan pajak masa depan.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

Current tax expense

The Company recognizes current tax expense based on the estimated taxable income for the period computed using the prevailing tax rates.

Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable income will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of the future taxable income together with future tax planning strategies.

4. KAS DAN BANK

4. CASH ON HAND AND IN BANKS

	2023	2022	
Kas			*Cash on hand*
Rupiah	175.587.388	100.752.861	*Indonesian Rupiah*
Dolar Amerika Serikat	24.327.260	13.154.537	*US Dollar*
Bank			*Cash in banks*
Rupiah			*Indonesian Rupiah*
PT. Bank Negara Indonesia (Persero) Tbk.	646.119.708	637.691.502	*PT Bank Negara Indonesia (Persero) Tbk.*
PT. Bank CIMB Niaga Tbk.	2.093.992	2.070.478	*PT.Bank CIMB Niaga Tbk.*
Dolar Amerika Serikat			*US Dollar*
PT. Bank Negara Indonesia (Persero) Tbk.	21.529.409.542	4.625.742.517	*PT Bank Negara Indonesia (Persero) Tbk.*
PT. Bank DBS Indonesia	1.545.212.126	3.455.393.435	*PT Bank DBS Indonesia*
Jumlah	**23.922.750.016**	**8.834.805.330**	***Total***

Tidak terdapat saldo pihak berelasi di dalam saldo kas dan bank.

There are no balance of cash and bank held by related parties.

5. PIUTANG USAHA / *5. TRADE RECEIVABLE*

	2023	2022	
Berdasarkan Pelanggan :			***By Customers:***
Pihak berelasi			*Related parties*
Thomas Cooks India Ltd.	218.144.696	392.985.970	*Thomas Cooks India Ltd.*
SOTC travel India Pvt Ltd.	196.050.001	159.177.688	*SOTC travel India Pvt Ltd.*
Asian Trails Malaysia	173.862.924	-	*Asian Trails Thailand*
Asian Trails Thailand	75.968.798	-	
Jumlah pihak berelasi	**664.026.419**	**552.163.658**	***Total related parties***
Pihak ketiga			*Third parties*
FTIi frosch Touristik GmbH	1.647.217.251	150.413.185	*FTIi frosch Touristik GmbH*
Sensation Travel GmbH	652.971.373	-	*Sensation Travel GmbH*
WebBeds	416.165.513	-	*WebBeds*
LA Maison	369.543.397	-	*LA Maison*
Dida Travel	232.001.996	-	*Dida Travel*
Tourasia Switzerland	205.888.684	309.061.577	*Tourasia Switzerland*
Marco Vasco Planet Veo	184.255.899	-	*Marco Vasco Planet Veo*
TBO Holiday Online	162.730.893	-	*TBO Holiday Online*
TBO India	139.773.161	-	*TBO India*
Tischler Reisen	133.522.784	-	*Tischler Reisen*
Bigxtra TourisitikGmbH	106.778.195	-	*Bigxtra TourisitikGmbH*
Sun Trade Travel	-	598.726.050	*Sun Trade Travel*
Kangaroo Tours	-	276.509.935	*Kangaroo Tours*
Eurotours GmbH	-	186.810.000	*Eurotours GmbH*
Travelhouse Hotelplan	-	144.544.238	*Travelhouse Hotelplan*
Turismo VCT LTDA	-	125.349.510	*Turismo VCT LTDA*
Tourasia Polska S.A.	-	123.932.868	*Tourasia Polska S.A.*
Lain-lain (dibawah Rp 100 juta)	1.062.085.865	736.607.397	*Others (below IDR 100 million)*
Jumlah pihak ketiga	**5.312.935.011**	**2.651.954.760**	***Total third parties***
Jumlah Piutang Usaha	**5.976.961.430**	**3.204.118.418**	**Total Trade Receivable**

	2023	2022	
Berdasarkan Umur :			***By Aging:***
Pihak berelasi			*Related Parties*
Kurang dari 30 hari	351.375.245	381.932.744	*Less than 30 days*
31 s/d 60 hari	1.816.792.572	37.985.011	*31 s/d 60 days*
61 s/d 90 hari	1.976.690.417	115.744.362	*61 s/d 90 days*
Lebih dari 90 hari	1.168.076.777	16.501.541	*More than 90 days*
Jumlah	**5.312.935.011**	**7.905.434**	***Total***
Pihak ketiga			*Third parties*
Kurang dari 30 hari	115.442.087	1.382.254.970	*Less than 30 days*
31 s/d 60 hari	91.027.064	21.979.912	*31 s/d 60 days*
61 s/d 90 hari	89.682.598	24.919.364	*61 s/d 90 days*
Lebih dari 90 hari	367.874.670	1.222.800.514	*More than 90 days*
Jumlah	**664.026.419**	**2.651.954.760**	***Total***
Jumlah piutang usaha	**5.976.961.430**	**2.659.860.194**	

Seluruh piutang usaha didenominasi dalam mata uang Dolar Amerika Serikat. Perusahaan tidak memiliki jaminan atas saldo tersebut.

All outstanding trade accounts receivable are denominated in US Dollar. The Company does not hold any collateral over these balance.

Berdasarkan hasil penelaahan keadaan akun piutang usaha masing-masing pelanggan pada tanggal 31 Desember 2023 dan 2022, Manajemen Perusahaan berpendapat bahwa seluruh saldo piutang usaha dapat ditagih sehingga tidak membentuk cadangan penurunan nilai.

Based on review of the condition of each receivable at the end of December 31, 2023 and 2022, the Management of the Company believes, that all of the receivables balances are collectible hence no allowance for doubtful accounts were provided.

(Presented in Rupiah, unless otherwise stated)

9. ASET TETAP

9. *PROPERTY AND EQUIPMENT*

	1 Januari 2023/ *January 1, 2023*	Penambahan/ *Additions*	Pengurangan/ Reklasifikasi *Deduction/ Recrasification*	31 Desember 2023/ *December 31, 2023*	
Biaya perolehan:					*Cost:*
Pemilikan langsung					*Direct acquisition*
Lisensi	1.271.504.212	-	-	1.271.504.212	*License*
Instalasi	1.078.619.600	-	-	1.078.619.600	*Instalation*
Furniture kantor	670.831.583	63.620.404	(23.786.988)	710.664.999	*Office furniture*
Kendaraan	5.730.520.008	1.959.914.924	(183.400.000)	7.507.034.932	*Vehicles*
Perlengkapan kantor	2.513.909.891	201.192.599	(8.995.000)	2.706.107.490	*Office supplies*
Jumlah	11.265.385.294	2.224.727.927	(216.181.988)	13.273.931.233	*Total*
Akumulasi penyusutan:					*Accumulated depreciation:*
Pemilikan langsung					*Direct acquisition*
Lisensi	1.271.504.212	-	-	1.271.504.212	*License*
Instalasi	1.078.619.600	-	-	1.078.619.600	*Instalation*
Furniture kantor	649.680.020	41.756.664	(23.786.988)	667.649.696	*Office furniture*
Kendaraan	4.626.097.601	536.585.450	(183.400.000)	4.979.283.051	*Vehicles*
Perlengkapan kantor	2.476.287.241	58.169.866	(8.995.000)	2.525.462.107	*Office supplies*
Jumlah	10.102.188.674	636.511.980	(216.181.988)	10.522.518.666	*Total*
Jumlah tercatat	**1.163.196.620**			**2.751.412.567**	*Net book value*

	1 Januari 2022/ *January 1, 2022*	Penambahan/ *Additions*	Pengurangan/ Reklasifikasi *Deduction/ Recrasification*	31 Desember 2022/ *December 31, 2022*	
Biaya perolehan:					*Cost:*
Pemilikan langsung					*Direct acquisition*
Lisensi	1.271.504.212	-	-	1.271.504.212	*License*
Instalasi	1.078.619.600	-	-	1.078.619.600	*Instalation*
Furniture kantor	663.312.480	7.519.103		670.831.583	*Office furniture*
Kendaraan	5.084.640.000	-	645.880.008	5.730.520.008	*Vehicles*
Perlengkapan kantor	2.474.025.956	39.883.935	-	2.513.909.891	*Office supplies*
Jumlah	10.572.102.248	47.403.038	645.880.008	11.265.385.294	*Total*
Akumulasi penyusutan:					*Accumulated depreciation:*
Pemilikan langsung					*Direct acquisition*
Lisensi	1.271.504.212	-	-	1.271.504.212	*License*
Instalasi	1.074.193.480	4.426.120	-	1.078.619.600	*Instalation*
Furniture kantor	643.328.480	6.351.540	-	649.680.020	*Office furniture*
Kendaraan	3.329.952.500	650.265.093	645.880.008	4.626.097.601	*Vehicles*
Perlengkapan kantor	2.395.756.564	80.530.677	-	2.476.287.241	*Office supplies*
Jumlah	8.714.735.236	741.573.430	645.880.008	10.102.188.674	*Total*
Jumlah tercatat	**1.857.367.012**			**1.163.196.620**	*Net book value*

Manajemen Perusahaan berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan timbulnya kerugian atas aset yang dipertanggungkan.

The Company management believes that the insurance coverage are adequate to cover possible losses on the assets insured.

Beban penyusutan dicatat pada akun "Beban Umum dan Administrasi" sebesar Rp 636.511.980 dan Rp 741.573.430 masing-masing untuk tahun yang berakhir 31 Desember 2023 dan 2022 dalam laporan laba rugi komprehensif (Catatan 19).

Depreciation expense is recorded in "General and Administrative Expenses" amounting to IDR 636.511.980 and IDR 741,573,430 respectively, for the year ended December 31, 2023 and 2022 in the statement of comprehensive income (Notes 19).

(Presented in Rupiah, unless otherwise stated)

10. UTANG USAHA / *10. TRADE PAYABLE*

	2023	2022	
Berdasarkan pemasok:			**By Supplier :**
Pihak berelasi	61.079.899	250.745.723	*Related parties*
Pihak ketiga	2.396.789.402	48.539.465	*Third Parties*
Jumlah	**2.457.869.301**	**299.285.188**	***Total***
Berdasarkan Mata Uang:			***By Currencies:***
Pihak berelasi			*Related parties*
Dolar Amerika Serikat	2.457.869.301	250.745.723	*US Dollar*
Pihak ketiga			*Third parties*
Rupiah	-	48.539.465	*Indonesian Rupiah*
Jumlah	**2.457.869.301**	**299.285.188**	***Total***

11. BIAYA YANG MASIH HARUS DIBAYAR / *11. ACCRUED EXPENSES*

	2023	2022	
Komisi penjualan	2.025.968.054	1.359.073.885	*Commissions of sales*
Harga pokok penjualan	18.656.760.458	5.650.379.800	*Cost of sales*
Bonus manajemen	1.308.775.794	467.025.000	*Management bonus*
Lain-lain (dibawah Rp 100 juta)	1.329.484.759	875.469.498	*Others (below IDR 100 million)*
Jumlah	**23.320.989.065**	**8.351.948.183**	***Total***

12. DEPOSIT DITERIMA DIMUKA / *12. DEPOSIT ACCEPTED IN ADVANCE*

	2023	2022	
Goway Canada	748.863.889		*Goway Canada*
Check Point Travel ApS	548.029.270	257.120.312	*Check Point Travel ApS*
Queensberry Viagens e Turismo	431.770.680	-	*Queensberry Viagens e Turismo*
Silverjet Belgium	295.191.284	327.555.767	*Silverjet Belgium*
Reisebazaar AS	270.648.466	117.690.300	*Reisebazaar AS*
Nuba Expediciones	220.899.989	-	*Nuba Expediciones*
Bamboo Tours	165.625.529	108.823.363	*Bamboo Tours*
Orkide Ekspressen	154.354.925	148.506.167	*Orkide Ekspressen*
CWT Kaleva Travel	153.600.472	155.301.380	*CWT Kaleva Travel*
TUI Deutschland GmbH	143.076.622		*TUI Deutschland GmbH*
Kangaroo Tours	134.985.499	275.386.740	*Kangaroo Tours*
Sensation Travel GmbH	124.638.715	115.090.528	*Sensation Travel GmbH*
The Village Experience	124.099.820		*The Village Experience*
Tours 4 The World	123.531.363	-	*Tours 4 The World*
Tang Dynasty Travel Co.,Ltd	117.001.803	-	*Tang Dynasty Travel Co.,Ltd*
Mayorista De Viajes S.A.	111.628.250	-	*Mayorista De Viajes S.A.*
A&S Signature Journeys, Inc.	110.735.224	-	*A&S Signature Journeys, Inc.*
Omeya Touts	107.132.326		*Omeya Touts*
American Express Meetings & Events	-	749.497.287	*American Express Meetings & Events*
Asialuxe Holidays	-	550.139.883	*Asialuxe Holidays*
Nordic Leisure Travel Group AB	-	426.487.230	*Nordic Leisure Travel Group AB*
Sure Voyager Trael	-	327.555.767	*Sure Voyager Trael*
Maman L'Agence | Bordeaux	-	195.605.637	*Maman L'Agence | Bordeaux*
Sri Siam Holidays Co., Ltd	-	102.870.040	*Sri Siam Holidays Co., Ltd*
Lain-lain (dibawah Rp 100 juta)	2.698.658.366	1.846.830.894	*Others (below IDR 100 million)*
Jumlah	**6.784.472.492**	**5.704.461.295**	***Total***

Akun ini merupakan pembayaran deposit dari pelanggan atas biaya tiket wisata dan jasa wisata lainnya.

This account was a deposit payment from the customer for the costs of tickets and other tourist services.

(Presented in Rupiah, unless otherwise stated)

13. PERPAJAKAN / *13. TAXATION*

a) Utang pajak terdiri dari: / *i. Tax payables consists of:*

	2023	2022	
Pajak penghasilan			*Income taxes*
Pasal 21	155.155.569	85.356.602	*Article 21*
Pasal 23	918.277.080	925.192.093	*Article 23**
Pajak pertambahan nilai	57.215.252	37.813.458	*Value added taxes*
Jumlah	**1.130.647.901**	**1.048.362.153**	***Total***

b) Pajak penghasilan / *ii. Income taxes*

	2023	2022	
Laba sebelum beban pajak penghasilan per laporan laba rugi	16.216.883.176	1.717.663.979	*Profit (loss) before income taxes per statements of income*
Perbedaan tetap	127.016.927	813.237.901	*Permanent differences*
Laba Fiskal	16.343.900.103	2.530.901.880	***Fiscal Gain (Loss)***
Laba (Rugi) fiskal tahun-tahun sebelumnya			*Prior year's fiscal losses*
2022	2.530.901.880	-	
2021	(10.695.802.831)	(10.695.802.831)	*2021*
2020	(23.586.811.169)	(23.586.811.169)	*2020*
Akumulasi rugi fiskal	(15.407.812.017)	(31.751.712.120)	*Accumulated fiscal losses*
Beban pajak kini	NIHIL	NIHIL	*Income tax expense*
Dikurangi pembayaran pajak dibayar dimuka PPh pasal 25	-	-	*Less prepaid tax Income tax art 25*
Utang pajak penghasilan pasal 29	**NIHIL**	**NIHIL**	*Income tax payable art 29*

14. LIABILITAS IMBALAN KERJA KARYAWAN / *14. POST-EMPLOYEMENT BENEFITS OBLIGATION*

	2023	2022	
Liabilitas imbalan kerja keryawan	855.840.117	607.403.211	*Post employement benefits obligation*
Biaya jasa	608.720.395	248.436.906	*Service cost*
Jumlah	**1.464.560.512**	**855.840.117**	***Total***

Perusahaan telah menghitung sendiri liabilitas imbalan pasca kerjanya.

The Company has calculated itself the employee benefit liability.

15. MODAL SAHAM / *15. CAPITAL STOCK*

Rincian pemegang saham Perusahaan dan persentase pemilikannya pada tanggal 31 Desember 2023 dan 2022 adalah sebagai berikut:

The breakdown of the Company's shareholders and their ownership percentage as per December 31, 2023 and 2022 are as follows:

Nama Pemegang Saham/ *Name of shareholders*	Jumlah saham/ *Number of shares*	Persentase kepemilikan/ *Percentage of ownership*	Jumlah Modal disetor/ *Paid-up capital stock*
Asian Trails Holding Ltd	1.320	66%	950.400.000
PT. Panorama Tirta Investama	680	34%	489.600.000
Jumlah/*Total*	**2.000**	**100,00%**	**1.440.000.000**

(Presented in Rupiah, unless otherwise stated)

16. PENDAPATAN USAHA / *16. REVENUES*

	2023	2022	
Akomodasi	71.727.316.046	32.416.532.790	*Accomodation*
Jasa angkutan penumpang	16.256.397.720	5.257.986.174	*Transportation*
Tiket pesawat	2.045.481.442	1.039.795.357	*Airplanes tickets*
Lain-lain	97.564.111.321	34.468.970.204	*Others*
Penjualan bersih	**187.593.306.529**	**73.183.284.525**	***Net sales***

17. BEBAN POKOK PENDAPATAN / *17. COST OF REVENUE*

	2023	2022	
Akomodasi	63.487.997.344	28.118.754.686	*Accomodation*
Jasa angkutan penumpang	12.362.149.680	4.077.122.023	*Transportation*
Tiket pesawat	1.902.828.699	909.864.799	*Airplanes tickets*
Lain-lain	64.149.579.336	22.268.515.897	*Others*
Jumlah	**141.902.555.059**	**55.374.257.405**	***Total***

18. BEBAN PENJUALAN / *18. SELLING EXPENSE*

	2023	2022	
Charge Kuoni Group	4.852.287.565	2.648.234.128	*Charge Kuoni Group*
Fee Manajemen	2.765.070.245	-	*Management fee*
Komisi penjualan	975.892.654	441.712.245	*Commision on sales*
Lain-lain (dibawah Rp 100 juta)	1.922.915.933	587.455.180	*Others (below IDR 100 million)*
Jumlah	**10.516.166.397**	**3.677.401.553**	***Total***

19. BEBAN UMUM DAN ADMINISTRASI / *19. GENERAL AND ADMINISTRATIVE EXPENSE*

	2023	2022	
Gaji dan kesejahteraan karyawan	15.833.058.437	10.572.745.463	*Salary and employee benefit*
Beban PPN*	2.063.521.337	805.010.993	*VAT expense**
Penghapusan piutang	1.009.442.717	-	*Bad debt expense*
Sewa kantor	766.247.102	428.261.925	*Office rental*
Perjamuan	744.106.216	460.502.218	*Entertainment*
Penyusutan (Catatan 9)	636.511.980	741.573.430	*Depreciation (Note 9)*
Beban imbalan kerja karyawan	245.720.723	248.441.733	*Employee benefit expense*
Asuransi	187.042.756	236.050.003	*Insurance*
License	170.937.494	167.599.705	*License*
Listrik & air	140.820.962	333.113.365	*Electricity & water*
Pemeliharaan dan perbaikan	28.746.199	191.744.898	*Repairs and maintenance*
Beban pajak	2.386.535	591.565	*Tax expense*
Lain-lain (dibawah Rp 50 juta)	816.610.689	344.212.990	*Others (below IDR 50 million)*
Jumlah	**22.645.153.147**	**14.529.848.288**	***Total***

(Presented in Rupiah, unless otherwise stated)

20. BEBAN LAINNYA / *20. OTHER EXPENSE*

	2023	2022	
Kerugian kurs mata uang asing	109.726.096	599.490.039	*Loss on foreign exchange*
Beban administrasi bank	457.783.604	214.271.070	*Bank administration expenses*
Jumlah	**567.509.700**	**813.761.109**	***Total***

21. PENDAPATAN LAINNYA / *21. OTHER INCOME*

	2023	2022	
Keuntungan kurs mata uang asing	15.797.322	1.083.528.616	*Gain on foreign exchange*
Pendapatan bunga pinjaman dan jasa giro	1.301.816.350	143.252.135	*Interest income loans and current account*
Lainnya	2.937.347.278	702.857.057	*Others*
Jumlah	**4.254.960.950**	**1.929.637.808**	***Total***

22. SIFAT DAN TRANSAKSI PIHAK BERELASI

a. Sifat hubungan

- Asian Trails Holding Ltd., merupakan pemegang saham Perusahaan.
- Travel Circle International Mauritius merupakan perusahaan entitas sepengendali.
- Asian Trails Malaysia, Asian Trails Thailand, Asian Trails Holding FI, Thomas Cooks India Ltd dan SOTC Travel India Pvt Ltd merupakan perusahaan atau agen yang berada dalam satu grup.

b. Transaksi-transaksi dengan pihak berelasi

Berikut ini disajikan saldo aset dan liabilitas atas transaksi dengan pihak berelasi:

22. NATURE OF RELATIONSHIP AND TRANSACTION WITH RELATED PARTIES

a. Nature of relationship

- *Asian Trails Holding Ltd., are the shareholders of the Company.*
- *Travel Circle International Mauritius is an entity under common control.*
- *Asian Trails Malaysia, Asian Trails Thailand, Asian Trails Holding FI,Thomas Cooks India Ltd and SOTC Travel India Pvt Ltd is a joint Company or agency that are in one group.*

b. Transactions with related parties

Here in below is the balance of assets and liabilities for the transaction with related parties:

	2023	2022	
Piutang usaha			***Trade accounts receivable***
Asian Trails Holding Ltd	664.026.419	552.163.658	*Asian Trails Holding Ltd*
Jumlah	**664.026.419**	**552.163.658**	***Total***
Persentase terhadap jumlah aset	1,08%	2,11%	*Percentage of total assets*
Piutang lain-lain			***Other receivable***
Asian Trails Holding Ltd	9.161.215.000	4.592.412.500	*Asian Trails Holding Ltd*
Jumlah	**9.161.215.000**	**4.592.412.500**	***Total***
Persentase terhadap jumlah aset	14,93%	17,52%	*Percentage of total assets*
Utang usaha			***Trade accounts payable***
Asian Trails Thailand	61.079.899	250.745.723	*Asian Trails Thailand*
Jumlah	**61.079.899**	**250.745.723**	***Total***
Persentase terhadap jumlah liabilitas	0,10%	0,96%	*Percentage of total liabilities*

Pada tanggal 31 Desember 2023 dan 2022 total piutang kepada Asian Trails Holding Ltd. masing-masing sebesar USD 295.000 dan USD 625.000.

As of December 31, 2023 and 2022, total receivables from Asian Trails Holding Ltd. USD 295,000 and USD 625,000, respectively.

(Presented in Rupiah, unless otherwise stated)

23. NILAI WAJAR DARI INSTRUMEN KEUANGAN

Nilai wajar aset dan liabilitas keuangan sebagai berikut:

23. *FAIR VALUE OF FINANCIAL INSTRUMENTS*

The fair value of financial assets and liabilities is as follows:

	31 Desember 2023/ *Desember 31, 2023*		31 Desember 2022/ *Desember 31, 2022*		
	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	
Aset Keuangan					***Financial Assets***
Kas dan bank	23.922.750.016	23.922.750.016	8.834.805.330	8.834.805.330	*Cash and bank*
Piutang usaha-pihak ketiga	5.312.935.011	5.312.935.011	2.651.954.760	2.651.954.760	*Trade receivable-Third parties*
Piutang lain-lain-pihak ketiga	2.438.746.227	2.438.746.227	1.941.267.250	1.941.267.250	*Other receivable-Third parties*

24. NILAI WAJAR DARI INSTRUMEN KEUANGAN (lanjutan)

24. *FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)*

	31 Desember 2023/ *Desember 31, 2023*		31 Desember 2022/ *Desember 31, 2022*		
	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	Nilai Tercatat/ *Carrying Value*	Nilai Wajar*/ *Fair Value**	
Liabilitas Keuangan					***Financial Liabilities***
Utang Usaha-pihak ketiga	2.396.789.402	2.396.789.402	48.539.465	48.539.465	*Trade payable-Third parties*
Utang lain-lain-pihak ketiga	34.612.456	34.612.456	-	-	*Other payable-Third parties*
Biaya yang masih harus dibayar	23.320.989.065	23.320.989.065	8.351.948.183	8.351.948.183	*Accrued expenses*
Uang muka pelanggan	6.784.472.492	6.784.472.492	5.704.461.295	5.704.461.295	*Deposit from customer*

*) Diukur dengan hirarki pengukuran nilai wajar Tingkat 3

Manajemen Perusahaan menetapkan bahwa nilai tercatat (berdasarkan jumlah nosional) aset dan liabilitas keuangan yang meliputi kas dan bank, piutang usaha – pihak ketiga, piutang lain-lain - pihak ketiga, utang usaha - pihak ketiga, beban akrual dan uang muka pelanggan kurang lebih sebesar nilai wajarnya karena dampak dari diskonto yang tidak signifikan.

**) Measured by Level 3 fair value measurement hierarchy*

The Company's management stipulates that the carrying amount (based on notional amount) of financial assets and liabilities which includes cash and banks, trade receivables - third parties, other receivables - third parties, trade payables - third parties, accrued expenses and customer advances of approximately third fair value because the impact of discount is not significant.

25. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN

Aktivitas Perusahaan mengandung berbagai macam risiko keuangan yaitu risiko tingkat bunga, risiko kredit dan risiko likuiditas. Dewan direksi menelaah secara informal dan menyetujui kebijakan untuk mengelola masing-masing risiko, dari tahun sebelumnya seperti yang diungkapkan di bawah ini:

a. Manajemen risiko tingkat bunga

Eksposur risiko tingkat bunga berhubungan dengan aset dan liabilitas dimana perubahan tingkat bunga dapat mempengaruhi laba sebelum pajak. Risiko pendapatan bunga terbatas dikarenakan Perusahaan hanya mempertahankan kecukupan saldo kas untuk keperluan operasional. Dalam beban bunga, keseimbangan optimal antara utang dengan tingkat bunga tetap dan mengambang telah ditentukan di awal

25. *FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES*

Company activities contain various types of financial risks, namely interest rate risk, credit risk and liquidity risk. The board of directors reviews informally and approves policies for managing each risk, from the previous year as stated below:

a. *Interest rate risk management*

Exposure to interest rate risk relates to assets and liabilities where changes in interest rates can affect pre-tax profit. The risk of interest income is limited because the Company only maintains sufficient cash balance for operational purposes. In interest expense, the optimal balance between debt with a fixed and floating interest rate has been determined at the outset.

(Presented in Rupiah, unless otherwise stated)

26. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

a. Manajemen risiko tingkat bunga (lanjutan)

Persetujuan dari Dewan Komisaris dan Direksi harus diperoleh sebelum Perusahaan menggunakan instrumen keuangan tersebut untuk mengelola eksposur risiko suku bunga. Perusahaan memiliki eksposur tingkat suku bunga atas aset dan liabilitas keuangan sebagaimana yang dijabarkan dibawah ini:

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a. Interest rate risk management (continued)

Approval from the Board of Commissioners and Directors must be obtained before the Company uses these financial instruments to manage interest rate risk exposures. The company has interest rate exposures on financial assets and liabilities as outlined below:

31 Desember 2023 / *December 31, 2023*

	Bunga mengambang/ *Floating interest*	Bunga tetap/ *Fixed interest*	Tanpa bunga/ *Without interest*	Jumlah/ *Total*	
Aset Keuangan					***Financial Assets***
Kas dan bank	-	23.722.835.368	199.914.648	23.922.750.016	*Cash and bank*
Piutang usaha-pihak ketiga	-	-	5.312.935.011	5.312.935.011	*Trade receivable-Third parties*
Piutang lain-lain-pihak ketiga	-	-	2.438.746.227	2.438.746.227	*Other receivable-Third parties*
Jumlah Aset Keuangan	-	23.722.835.368	7.951.595.886	31.674.431.254	*Total Financial Assets*
Liabilitas Keuangan					***Financial Liabilities***
Utang Usaha-pihak ketiga	-	-	2.396.789.402	2.396.789.402	*Trade payable-Third parties*
Utang lain-lain-pihak ketiga	-	-	34.612.456	34.612.456	*Other payable-Third parties*
Biaya yang masih harus dibayar	-	-	23.320.989.065	23.320.989.065	*Accrued expenses*
Uang muka pelanggan	-	-	6.784.472.492	6.784.472.492	*Deposit from customer*
Jumlah Liabilitas Keuangan	-	-	32.536.863.415	32.536.863.415	*Total Financial Liabilities*
Jumlah Aset (Liabilitas) Keuangan - Bersih	-	23.722.835.368	(24.585.267.529)	(862.432.161)	*Total Financial Assets (Liabilities) - Net*

31 Desember 2022 / *December 31, 2022*

	Bunga mengambang/ *Floating interest*	Bunga tetap/ *Fixed interest*	Tanpa bunga/ *Without interest*	Jumlah/ *Total*	
Aset Keuangan					***Financial Assets***
Kas dan bank	-	8.720.897.932	113.907.398	8.834.805.330	*Cash and bank*
Piutang usaha-pihak ketiga	-	-	2.651.954.760	2.651.954.760	*Trade receivable-Third parties*
Piutang lain-lain-pihak ketiga	-	-	1.941.267.250	1.941.267.250	*Other receivable-Third parties*
Jumlah Aset Keuangan	-	8.720.897.932	4.707.129.408	13.428.027.340	*Total Financial Assets*
Liabilitas Keuangan					***Financial Liabilities***
Utang Usaha-pihak ketiga	-	-	48.539.465	48.539.465	*Trade payable-Third parties*
Biaya yang masih harus dibayar	-	-	8.351.948.183	8.351.948.183	*Accrued expenses*
Uang muka pelanggan	-	-	5.704.461.295	5.704.461.295	*Deposit from customer*
Jumlah Liabilitas Keuangan	-	-	14.104.948.943	14.104.948.943	*Total Financial Liabilities*
Jumlah Aset (Liabilitas) Keuangan - Bersih	-	8.720.897.932	(9.397.819.535)	(676.921.603)	*Total Financial Assets (Liabilities) - Net*

(Presented in Rupiah, unless otherwise stated)

27. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b. Manajemen risiko kredit

Risiko kredit adalah risiko kerugian yang timbul atas saldo instrumen keuangan dalam hal konsumen tidak dapat memenuhi kewajibannya untuk membayar utang terhadap Perusahaan.

Perusahaan mengelola dan mengendalikan risiko kredit dengan hanya berurusan dengan pihak yang diakui dan layak kredit, menetapkan kebijakan internal atas verifikasi dan otorisasi kredit, dan secara teratur memonitor kolektibilitas piutang untuk mengurangi risiko tersebut.

Pada tanggal 31 Desember 2023 dan 2022, maksimum eksposur Perusahaan untuk risiko kredit disajikan sebesar nilai tercatat setiap aset keuangan yang diakui dalam laporan posisi keuangan.

b. Credit risk management

Credit risk is the risk of losses arising from the balance of financial instruments in the event that the consumer cannot fulfill his obligation to pay the debt to the Company.

The company manages and controls credit risk by only dealing with recognized and creditworthy parties, establishing internal policies for verification and authorization of credit, and regularly monitoring collectibility of receivables to reduce these risks.

As of December 31, 2023 and 2022, the Company's maximum exposure to credit risk is stated at the carrying amount of each financial asset recognized in the statement of financial position.

c. Manajemen risiko likuiditas

Risiko likuiditas adalah risiko dimana Perusahaan akan mengatasi kesulitan yang berasal dari pemenuhan kewajiban keuangan dikarenakan kekurangan dana.

Tabel berikut menampilkan jatuh tempo dari liabilitas keuangan Perusahaan pada akhir tahun pelaporan berdasarkan pembayaran kontraktual yang tidak didiskontokan.

c. Liquidity risk management

Liquidity risk is the risk that the Company will overcome difficulties arising from fulfilling financial obligations due to lack of funds.

The following table shows the maturity of the Company's financial liabilities at the end of the reporting year based on contractual, undiscounted payments.

	31 Desember 2023 / *December 31, 2023*			
	Nilai Tercatat/ *Carrying Value*	Kurang dari satu tahun/ *less than one year*	Lebih dari satu tahun/ *More than one year*	
Liabilitas Keuangan				***Financial Liabilities***
Utang usaha-pihak ketiga	2.396.789.402	2.396.789.402	-	*Trade payable-third parties*
Utang lain-lain-pihak ketiga	34.612.456	34.612.456	-	*Others payable-third parties*
Biaya yang masih harus dibayar	23.320.989.065	23.320.989.065	-	*Accrued expenses*
Uang muka pelanggan	84.472.492	84.472.492	-	*Deposit from customer*
Jumlah	25.836.863.415	25.836.863.415	-	***Total***

	31 Desember 2022/ *December 31, 2022*			
	Nilai Tercatat/ *Carrying Value*	Kurang dari satu tahun/ *less than one year*	Lebih dari satu tahun/ *More than one year*	
Liabilitas Keuangan				***Financial Liabilities***
Utang usaha-pihak ketiga	48.539.465	48.539.465	-	*Trade payable-third parties*
Utang lain-lain-pihak ketiga	-		-	*Others payable-third parties*
Biaya yang masih harus dibayar	8.351.948.183	8.351.948.183	-	*Accrued expenses*
Uang muka pelanggan	5.704.461.295	5.704.461.295	-	*Deposit from customer*
Jumlah	14.104.948.943	14.104.948.943	-	***Total***

28. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN (lanjutan)

d. Manajemen risiko modal

Tujuan utama manajemen permodalan Perusahaan adalah untuk memastikan pemeliharaan tingkat kredit yang kuat dan rasio permodalan yang sehat untuk mendukung usaha dan memaksimalkan nilai pemegang saham.

Perusahaan mengelola struktur permodalan dan melakukan penyesuaian berdasarkan strategi dan kondisi keuangan Perusahaan, serta kondisi ekonomi global dan domestik. Untuk memelihara atau menyesuaikan struktur permodalan, Perusahaan dapat menyesuaikan pembayaran dividen kepada pemegang saham, pengembalian modal kepada pemegang saham atau menerbitkan saham baru.

Selanjutnya, Perusahaan memiliki kebijakan kas manajemen untuk mengelola modal. Perusahaan menerapkan manajemen keuangan terpusat untuk menjaga fleksibilitas pembiayaan dan mengurangi risiko likuiditas. Perusahaan juga berusaha untuk mempertahankan kebutuhan modal kerja yang memadai.

Selanjutnya, Perusahaan memiliki kebijakan kas manajemen untuk mengelola modal. Perusahaan menerapkan manajemen keuangan terpusat untuk menjaga fleksibilitas pembiayaan dan mengurangi risiko likuiditas. Perusahaan juga berusaha untuk mempertahankan kebutuhan modal kerja yang memadai.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d. Capital risk management

The main objective of the Company's capital management is to ensure the maintenance of a strong credit level and a healthy capital ratio to support the business and maximize shareholder value.

The company manages the capital structure and makes adjustments based on the Company's strategy and financial conditions, as well as global and domestic economic conditions. To maintain or adjust the capital structure, the Company can adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

Furthermore, the Company has a management cash policy to manage capital. The company implements centralized financial management to maintain financing flexibility and reduce liquidity risk. The company also strives to maintain adequate working capital needs.

Furthermore, the Company has a management cash policy to manage capital. The company implements centralized financial management to maintain financing flexibility and reduce liquidity risk. The company also strives to maintain adequate working capital needs.

29. PERIKATAN

Berdasarkan perjanjian "Trademark License Agreement" tanggal 3 Februari 2000 antara Asian Trails Holding Ltd. ("ATH") dengan PT. Asian Trails Indonesia ("ATI"), bahwa ATH telah menyetujui penggunaan merk dagang "Asian Trail" atau "Asian Trails" ("nama") dan atau nama-nama lain, logo dan lain-lain milik ATH dalam nama Perusahaan, nama bisnis dan produk dalam wilayah Republik di Indonesia.

Atas perjanjian tersebut ATI membayar iuran royalty kepada ATH sebesar 1,5% dari omset pada akhir setiap laporan keuangan tahunan.

Dikarena kondisi ekonomi sejak tahun 2020 sampai dengan 2022, ATI tidak membayar iuran royalty ini.

29. COMMITMENT

Based on the "Trademark License Agreement" dated February 3, 2000 between Asian Trails Holding Ltd. ("ATH") with PT. Asian Trails Indonesia ("ATI"), that the ATH has approved the use of the trademark "Asian Trail" or "Asian Trails" ("the name") and/ or other names, logos, etc, belonging to ATH in its Company name, business names and products within Republic of Indonesia.

For such agreement, the ATI shall pay a royalty of 1.5% of tumover to ATH at the end of each financial year.

Due to the economis condition, ATI has not paid any royalty fees from 2020 to 2022.

30. KETIDAKPASTIAN KONDISI EKONOMI

Sejak awal tahun 2020, perlambatan perekonomian global dan dampak negatif yang terjadi pada pasar finansial utama di dunia yang diakibatkan oleh penyebaran pandemic virus Corona (Covid-19) pada tahun 2020 telah menimbulkan volatilitas yang tinggi pada nilai wajar instrumen keuangan, terhentinya perdagangan, gangguan operasional perusahaan, Pasar saham yang tidak stabil, dan likuiditas yang ketat pada sektor-sektor ekonomi tertentu di Indonesia, termasuk industri perjalanan wisata, yang dapat berkelanjutan dan berdampak terhadap keuangan dan operasional Perusahaan.

Kemampuan Indonesia untuk meminimalkan dampak perlambatan perekonomian global terhadap perekonomian nasional sangat tergantung pada tindakan pemberantasan ancaman Covid-19 tersebut, selain kebijakan fiskal dan kebijakan lainnya yang diterapkan oleh Pemerintah. Kebijakan tersebut, termasuk pelaksanaannya dan kejadian yang timbul, berada di luar kontrol Perusahaan.

Perusahaan yang bergerak dibidang jasa perjalanan wisata, mulai terkena dampak atas pandemik Covid19 pada bulan Maret 2020, dimana pada bulan tersebut Covid-19 mulai merebak secara global dan diikuti oleh penerapan lockdown di beberapa negara yang merupakan pangsa pasar dari tamu pari wisata yang ditangani oleh Perusahaan.

Untuk mengatasi ketidakpastian kondisi ekonomi tersebut, manajemen melakukan langkah-langkah sebagai berikut:

a. Perusahaan melakukan penyesuaian rencana bisnis terhadap situasi yang terjadi;
b. mengutamakan arus kas Perusahaan;
c. bekerjasama dengan semua airlines guna mendapatkan harga tiket untuk grup dengan mendapatkan harga khusus;
d. bekerjasama dengan semua vendor tur untuk negosiasi harga land arrangement dengan harga khusus, serta menegosiasikan harga hotel untuk menegosiasikan harga kamar hotel;
e. efisiensi seluruh biaya operasional semaksimal mungkin sehingga terjadi penurunan biaya yang signifikan.

Laporan keuangan disusun dengan anggapan bahwa Perusahaan mempunyai kemampuan untuk mempertahankan kelangsungan usahanya. Manajemen berpendapat bahwa langkah-langkah tersebut dapat secara efektif dilakukan dan Perusahaan dapat terus beroperasi sesuai prinsip kelangsungan usaha di masa mendatang.

30. UNCERTAINTY OF ECONOMIC CONDITIONS

Since the beginning of 2020, the global economic slowdown and the negative impact on major financial markets in the world as a result of the spread of the Corona virus (Covid-19) pandemic in 2020 have caused high volatility in the fair value of financial instruments, trade cessation, operational disruption companies, volatile stock markets, and tight liquidity in certain economic sectors in Indonesia, including the travel industry, which can be sustainable and have an impact on the Company's finances and operations.

Indonesia's ability to minimize the impact of the global economic slowdown on the national economy is highly dependent on measures to eradicate the threat of Covid-19, in addition to fiscal and other policies implemented by the Government. These policies, including their implementation and events that arise, are beyond the Company's control.

Companies engaged in tourism travel services, began to be affected by the Covid19 pandemic in March 2020, where in that month Covid-19 began to spread globally and was followed by the implementation of lockdowns in several countries which were the market share of tourist stingrays handled by the Company.

To resolve the uncertain economic condition, management took the following steps:

a. Company adjusts the business plan toward the current condition;
b. prioritize the Company's cash flow;
c. collaborate with all airlines in order to get special ticket prices for groups;
d. collaborate with all tour vendors to negotiate land arrangement special prices, and negotiate room hotel prices;
e. efficiency of operational expenses to the maximum level resulting in significant reduction in expenses.

The financial statements are prepared assuming that the Company has the ability to sustain its business continuity. Management believes that these steps can be taken effectively and the Company can continue to operate in accordance with the principles of business continuity in the future.

31. PENYELESAIAN LAPORAN KEUANGAN

Manajemen Perusahaan bertanggung jawab atas penyusunan laporan keuangan dan telah menyetujui untuk menerbitkan laporan keuangan perusahaan untuk tahun yang berakhir 31 Desember 2023 pada tanggal 18 Januari 2024.

31. COMPLETION OF FINANCIAL STATEMENTS

The Company's Management is responsible forthe preparation of the Company's financial statements and approve to issue the Company's financial statements for the year ended December 31, 2023 on January 18, 2024.

****

ASIAN TRAILS (M) SDN. BHD.

Registration No. 200001012196 (514802-A)
Incorporated in Malaysia

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER 2023

Registration No.
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ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

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Registration No.
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ASIAN TRAILS (M) SDN. BHD.
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CORPORATE INFORMATION

DIRECTORS	Lersan Misitsakul Laurent Kunzle Emir Cherif Marcel Jordi Grifoll
COMPANY SECRETARY	Chong Ai Ling (MIA 29380)
AUDITORS	Peter Chong & Co. Chartered Accountants
PRINCIPAL BANKERS	Deutsche Bank (Malaysia) Berhad Malayan Banking Berhad
IMMEDIATE HOLDING COMPANY	Asian Trails Holding Ltd
ULTIMATE HOLDING COMPANY	Fairfax Financial Holdings Limited
REGISTERED OFFICE	SOHO Suites @ KLCC Block A2, Level 32-3A No. 20, Jalan Perak 50450 Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	Suite 7.01, 7th Floor Wisma Mirama Jalan Wisma Putra 50460 Kuala Lumpur

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31st December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing holidays, tours and travel services to overseas and local clientele. There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	RM
Profit for the financial year	58,543

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors also do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS IN OFFICE
The following Directors served on the Board since the date of the last report:

Lersan Misitsakul
Laurent Kunzle
Emir Cherif
Marcel Jordi Grifoll

In accordance with the Company's Constitution, Mr. Emir Cherif retires by rotation, and being eligible, offers himself for re-election.

DIRECTORS' BENEFITS
Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than Directors' remuneration as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has substantial financial interest except for:

a) certain Directors who received remuneration from related corporations in their capacities as directors and/or executives of those related corporations; and

b) any deemed benefits which may arise from the related party transactions as disclosed in Note 18 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION
The details of Directors' remuneration were as follows:

	RM
Salaries, bonuses and allowances	451,950

DIRECTORS' INTEREST
None of the Directors in office at the end of the financial year held or dealt in shares of the Company and its related corporations during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps:

a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:

a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

b) which would render the values attributed to the current assets in the financial statements of the Company misleading; or

c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

d) not otherwise dealt with in this report or financial statements, which would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

a) any charge on the assets of the Company which has arisen since the end of the financial year to secure the liability of any other person; or

b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

OTHER STATUTORY INFORMATION (cont'd)

In the opinion of the Directors,

a) the results of the Company's operations during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

HOLDING COMPANIES

The immediate holding company of the Company is Asian Trails Holding Ltd, incorporated in Mauritius and the ultimate holding company of the Company is Fairfax Financial Holdings Limited, incorporated in Ontario, Canada.

INDEMNITIES TO DIRECTORS OR OFFICERS

There has been no indemnity given to or insurance effected for any director or officer of the Company during the financial year.

[The remainder of this page is intentionally left blank.]

Registration No.
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ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

DIRECTORS' REPORT (Cont'd)

AUDITORS

The auditors, Messrs. Peter Chong & Co., Chartered Accountants, have indicated their willingness to accept re-appointment.

Auditors' remuneration of the Company for the financial year ended 31st December 2023 was RM22,000.

No payment has been made to indemnify auditors during or since the financial year.

Signed on behalf of the Board
in accordance with a resolution of the Directors

....
LAURENT KUNZLE
Director

....
EMIR CHERIF
Director

Dated: 18 MAR 2024

Kuala Lumpur

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

The Directors of **ASIAN TRAILS (M) SDN. BHD.** state that, in the opinion of the Directors, the financial statements are set out on pages 13 to 47 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Company as at 31st December 2023 and of its financial performance and cash flow of the Company for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Directors

....
LAURENT KUNZLE
Director

....
EMIR CHERIF
Director

Dated: 18 MAR 2024

Kuala Lumpur

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023 (Cont'd)

I, **EMIR CHERIF**, being the Director primarily responsible for the financial management of **ASIAN TRAILS (M) SDN. BHD.**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 13 to 47 are correct.

And I make this solemn declaration, conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **EMIR CHERIF**)
at **KUALA LUMPUR** in the)
FEDERAL TERRITORY this day of) ....
18 MAR 2024) **EMIR CHERIF**

Before me

PESURUHJAYA SUMPAH
No: W871
R. S. VANMATHI
01.01.2022 - 31.12.2024
MALAYSIA

....
Commissioner for Oaths

No. 2-8, 2nd Floor Wisma Konwa
No 40 & 42, Jalan Tun Perak
(Lebuh Ampang)
50050 Kuala Lumpur

Peter Chong & Co. AF 0165
Chartered Accountants

SOHO Suites @ KLCC
Block A2, Level 31-3
No. 20 Jalan Perak
50450 Kuala Lumpur, Malaysia
Tel : 603-21817447
Fax : 603-21818522
Email : info@peterchongco.com
Website : www.peterchongco.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ASIAN TRAILS (M) SDN. BHD.

Registration No. 200001012196 (514802-A)
Incorporated in Malaysia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ASIAN TRAILS (M) SDN. BHD.**, which comprise the statement of financial position as at 31st December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 47.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the financial statements which disclosed the premise upon which the Company has prepared its financial statements by applying the going concern assumption, as at that date, the Company's current liabilities exceeded its current assets by RM951,129 and capital deficiency of RM7,874,120, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The preparation of the financial statements of the Company on a going concern basis is dependent upon the continuous financial support from its immediate holding company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ASIAN TRAILS (M) SDN. BHD.
Registration No. 200001012196 (514802-A)
Incorporated in Malaysia
(Cont'd)

Independence and Other Ethical Responsibilities
We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon
The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements
The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ASIAN TRAILS (M) SDN. BHD.
Registration No. 200001012196 (514802-A)
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(Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements of the Company 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 approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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 Company's internal control.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ASIAN TRAILS (M) SDN. BHD.
Registration No. 200001012196 (514802-A)
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(Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company 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 Company to cease to continue as a going concern.

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

We communicate with the Directors 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.

Other Matters
This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Peter Chong & Co.
No. AF 0165
Chartered Accountants

Datuk Chong Ton Nen @ Peter Chong
No. 00394/03/2026 J
Chartered Accountant

Dated: 18 MAR 2024

Kuala Lumpur

Registration No.
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ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	317,547	264,075
Right-of-use asset	6	239,125	243,920
Total non-current assets		556,672	507,995
Current assets			
Receivables	7	5,150,058	2,336,958
Cash and bank balances		1,921,041	1,252,510
Total current assets		7,071,099	3,589,468
TOTAL ASSETS		7,627,771	4,097,463
EQUITY AND LIABILITIES			
Equity attributable to owner of the Company			
Share capital	8	5,500,000	5,500,000
Accumulated losses		(13,374,120)	(13,432,663)
Total equity		(7,874,120)	(7,932,663)
Non-current liabilities			
Payables	9	7,397,950	7,092,050
Lease liability	10	81,713	75,497
Total non-current liabilities		7,479,663	7,167,547
Current liabilities			
Payables	9	7,766,907	4,650,711
Lease liability	10	165,674	176,145
Contract liabilities	11	89,647	35,723
Total current liabilities		8,022,228	4,862,579
Total liabilities		15,501,891	12,030,126
TOTAL EQUITY AND LIABILITIES		7,627,771	4,097,463

The attached notes form an integral part of these financial statements.

ASIAN TRAILS (M) SDN. BHD.
Incorporated in Malaysia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

	Note	2023 RM	2022 RM
REVENUE	12	39,488,848	12,522,269
COST OF SALES	13	(31,829,816)	(10,054,780)
GROSS PROFIT		7,659,032	2,467,489
OTHER OPERATING INCOME		1,540,609	202,079
MARKETING COSTS		(481,597)	(190,071)
ADMINISTRATIVE EXPENSES		(7,988,607)	(4,598,494)
PROFIT/ (LOSS) FROM OPERATIONS	14	729,437	(2,118,997)
FINANCE COSTS	15	(670,894)	(410,881)
PROFIT/ (LOSS) BEFORE TAXATION		58,543	(2,529,878)
TAXATION	16	-	-
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		58,543	(2,529,878)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) ATTRIBUTABLE TO OWNER OF COMPANY		58,543	(2,529,878)

The attached notes form an integral part of these financial statements.

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

	Attributable to owner of the Company		
	Share capital RM	Accumulated losses RM	Total RM
As at 1st January 2022	5,500,000	(10,902,785)	(5,402,785)
Total comprehensive loss	-	(2,529,878)	(2,529,878)
As at 31st December 2022/ 1st January 2023	5,500,000	(13,432,663)	(7,932,663)
Total comprehensive income	-	58,543	58,543
As at 31st December 2023	5,500,000	(13,374,120)	(7,874,120)

The attached notes form an integral part of these financial statements.

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	58,543	(2,529,878)
Adjustments for:-		
Bad debts written off	4,531	19,652
Depreciation of property, plant and equipment	170,242	157,117
Depreciation of right-of-use asset	250,345	124,411
Interest expenses	670,894	410,881
Unrealised loss on foreign exchange	319,348	243,170
Operating profit/ (loss) before working capital changes	1,473,903	(1,574,647)
Receivables	(2,829,219)	(1,726,722)
Payables	3,170,712	4,516,224
Cash generated from operations	1,815,396	1,214,855
Repayment of interest on lease liability	(13,693)	(12,086)
Net cash generated from operating activities	1,801,703	1,202,769
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(223,714)	(89,425)
Net cash used in investing activity	(223,714)	(89,425)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(657,201)	(398,795)
Payments for the principal portion of lease liability	(249,805)	(133,834)
Net cash used in financing activities	(907,006)	(532,629)

The above statement of cash flows is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023 (Cont'd)

	Note	2023 RM	2022 RM
NET INCREASE IN CASH AND CASH EQUIVALENTS		670,983	580,715
Effect of exchange rate changes on cash and cash equivalents		(2,452)	48,903
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		1,252,510	622,892
CASH AND CASH EQUIVALENTS CARRIED FORWARD	17	1,921,041	1,252,510

The reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities is as follows:

	Lease liability (Note 10)	
	2023 RM	2022 RM
As at 1st January	251,642	402,799
Non-cash changes	245,550	(17,323)
Cash flows	(249,805)	(133,834)
As at 31st December	247,387	251,642

CASH OUTFLOWS FOR LEASES AS A LESSEE

	Note	2023 RM	2022 RM
Included in net cash from operating activities:			
- Interest paid in relation to lease liabilities		13,693	12,086
Included in net cash from financing activities:			
- Payment of lease liabilities	10	249,805	133,834
Total cash outflows for leases		263,498	145,920

The above statement of cash flows is to be read in conjunction with the notes to the financial statements.

1. GENERAL INFORMATION

The Company is principally engaged in the business of providing holidays, tours and travel services to overseas and local clientele. There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a private limited company, incorporated and domiciled in Malaysia.

The immediate holding company of the Company is Asian Trails Holding Ltd, incorporated in Mauritius and the ultimate holding company of the Company is Fairfax Financial Holdings Limited, incorporated in Ontario, Canada.

The address of the registered office of the Company is SOHO Suites @ KLCC, Block A2, Level 32-3A, No. 20, Jalan Perak, 50450 Kuala Lumpur.

The principal place of business of the Company is at Suite 7.01, 7th Floor, Wisma Mirama, Jalan Wisma Putra, 50460 Kuala Lumpur.

The Board has authorised the issuance of financial statements on 18 MAR 2024

2. BASIS OF PREPARATION AND MEASUREMENT

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis.

During the financial year, the Company has prepared its financial statements by applying the going concern assumption, as at that date, the Company's current liabilities exceeded its current assets by RM951,129 and capital deficiency of RM7,874,120, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The preparation of the financial statements of the Company on a going concern basis is dependent upon the continuous financial support from immediate holding company.

2. BASIS OF PREPARATION AND MEASUREMENT (cont'd)

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency unless otherwise indicated.

The new accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Company's financial year beginning on or after 1st January 2023 are as follows:

(a) Amendments to MFRS 101 "Disclosure of Accounting Policies"
(b) Amendments to MFRS 108 "Definition of Accounting Estimates"
(c) Amendments to MFRS 112 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
(d) Amendments to MFRS 112 "International Tax Reform – Pillar Two Model Rules"

The Company adopted amendments to MFRS 101, Disclosure of Accounting Policies from 1st January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Company's accounting policies, it impacted the accounting policy information disclosed in financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

Other than that, the adoption of amendments to MFRS listed above did not have any impact on the current financial year or any prior financial year and is not likely to affect future financial years.

3. MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") AND AMENDMENTS TO MFRSs

Amendment to MFRSs which have been issued but not yet effective and relevant to the Company:

Amendments to MFRSs		**Effective date**
Amendments to:		
- MFRS 7 and MFRS 107	Supplier Finance Arrangements	1st January 2024
- MFRS 16	Lease Liability in a Sale and Leaseback	1st January 2024
- MFRS 101	Classification of Liabilities as Current or Non-current	1st January 2024
- MFRS 101	Non-current Liabilities with Covenants	1st January 2024
- MFRS 121	Lack of Exchangeability	1st January 2025

It is anticipated that the adoption of the abovementioned amendments will not have significant impact on the financial statements of the Company.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimates are revised and in any future reporting periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5(a)(ii) — Depreciation of property, plant and equipment

5. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles RM	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Capital work-in-progress RM	Total RM
Cost							
As at 1st January 2022	458,777	736,863	65,230	156,835	148,189	-	1,565,894
Additions	-	68,000	3,900	17,525	-	-	89,425
As at 31st December 2022/ 1st January 2023	458,777	804,863	69,130	174,360	148,189	-	1,655,319
Additions	-	138,566	1,070	8,082	9,470	66,526	223,714
As at 31st December 2023	458,777	943,429	70,200	182,442	157,659	66,526	1,879,033

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Motor vehicles RM	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Capital work-in-progress RM	Total RM
Accumulated depreciation							
As at 1st January 2022	240,449	715,933	55,998	129,171	92,576	-	1,234,127
Depreciation	91,755	27,141	3,650	14,350	20,221	-	157,117
As at 31st December 2022/ 1st January 2023	332,204	743,074	59,648	143,521	112,797	-	1,391,244
Depreciation	76,137	52,505	4,299	15,501	21,800	-	170,242
As at 31st December 2023	408,341	795,579	63,947	159,022	134,597	-	1,561,486
Net carrying amounts							
As at 31st December 2023	50,436	147,850	6,253	23,420	23,062	66,526	317,547
As at 31st December 2022	126,573	61,789	9,482	30,839	35,392	-	264,075

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Material accounting policy information

(i) Recognition and measurement

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

	Number of years
Motor vehicles	5
Computers	3
Furniture and fittings	5
Office equipment	5
Renovation	5

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6. RIGHT-OF-USE ASSET

	2023 RM	2022 RM
Office		
Carrying amounts		
As at 1st January	243,920	385,654
Addition	245,550	-
Depreciation	(250,345)	(124,411)
Remeasurement	-	(17,323)
As at 31st December	239,125	243,920

(a) The additional information about its leasing activities are as follows:

		2023 RM	2022 RM
Office			
(i)	Lease term	2 - 3 years	3 years
(ii)	Renewal option	1 - 2 years	1 year
(iii)	Termination option	No	No
(iv)	Restriction imposed	No	No
(v)	Lease term determined by the management	2 - 3 years	3 years

The maturity analysis of lease liability is presented in Note 10.

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7. RECEIVABLES

	2023 RM	2022 RM
Trade receivables		
- Billed	2,159,325	1,418,571
- Unbilled	-	114,124
Other receivables	29,340	6,150
Deposits	177,127	167,970
Prepayment	1,088,109	308,936
Amount owing from related companies - trade	1,696,157	321,207
	5,150,058	2,336,958

(a) The currency exposure profile of the receivables (exclude prepayment) is as follows (foreign currency balances are unhedged):

	2023 RM	2022 RM
Ringgit Malaysia	1,566,767	1,591,857
Euro	3,545	169,210
Singapore Dollar	527,704	-
US Dollar	1,963,933	266,955
	4,061,949	2,028,022

(b) The Company's normal trade receivables credit periods granted is 30 days (2022: 30 days).

7. RECEIVABLES (cont'd)

(c) The ageing analysis of the Company's trade receivables is as follows:

	2023 RM	2022 RM
Neither past due nor impaired	399,644	107,948
Past due but not impaired		
- 1 to 30 days	989,914	666,922
- 31 to 60 days	308,057	337,389
- 61 to 90 days	160,760	175,500
- 91 days and above	300,950	130,812
	1,759,681	1,310,623
	2,159,325	1,418,571

(d) **Measurement of Expected Credit Loss ("ECL") – simplified approach**
The Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The expected loss rates are based on historical credit losses experienced by the Company. The historical loss rates are adjusted to reflect current and forward–looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(e) **Measurement of ECL – general 3-stage approach for financial assets other than trade receivables**
Other financial assets include other receivables, deposits and amount owing from related companies.

The Company considers the probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where available.

7. RECEIVABLES (cont'd)

(e) **Measurement of ECL – general 3-stage approach for financial assets other than trade receivables (cont'd)**

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL.

Other receivables

Allowance for impairment loss is assessed for other receivables individually. The estimated impairment loss was immaterial.

Deposits

Deposits mainly represents deposit paid for rental of office premises. The deposit is refundable at the end of the leasing terms or upon termination of agreement. No allowance for impairment loss is recognised.

Amount owing from related companies

The amount owing from related companies is unsecured, interest-free and repayable upon demand. The Company has assessed the allowance for impairment loss for amount owing from related companies on a group basis. As at reporting date, the management is of the view that no allowance is to be recognised.

The related party transactions are disclosed in Note 18.

(f) Other information of receivables is disclosed in the following notes:

(i) Financial instruments – Note 19; and
(ii) Fair value measurement – Note 20.

8. SHARE CAPITAL

	2023 No. of shares	2022 No. of shares	2023 RM	2022 RM
Issued and fully paid:				
Ordinary shares	500,000	500,000	500,000	500,000
Redeemable and convertible preference shares ("RCPS")	5,000,000	5,000,000	5,000,000	5,000,000
	5,500,000	5,500,000	5,500,000	5,500,000

The salient features of the RCPS are as follows:

(a) Holders of the RCPS shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company provided always that holders of the RCPS shall not have the right to vote or to move or second any resolutions at any general meeting of the Company except on each of the following circumstances:

- on a proposal to reduce or increase the Company's share capital;
- on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- on a proposal that directly or indirectly varies or affects rights, privileges or conditions attached to the RCPS, or the exercise of any of those rights, privileges or conditions;
- on a proposal to wind up the Company; and
- during the winding up of the Company.

(b) In any such case a holder shall have one vote for each RCPS held. Any holder may demand a poll at a general meeting of the Company on any resolution on which that holder may vote.

(c) Each RCPS shall on a winding-up or upon a reduction of capital or other return capital (other than on the redemption or conversion of the RCPS) rank pari passu with each other and confer on the holder thereof the right to receive a pro rata share of the Company's net assets after the payment and discharge of all debts and liabilities of the Company and the costs of winding up or such capital reduction exercise.

8. SHARE CAPITAL (cont'd)

The salient features of the RCPS are as follows: (cont'd)

(d) The RCPS shall be entitled to receive any dividends out of the profits of the Company and to participate in the profits of the Company at the discretion of the Company.

(e) In the event of winding up or upon reduction of capital beyond such rights as are expressly set out in this Article, an RCPS holder shall be entitled to a pro rata share thereof to participate in the profits or surplus assets of the Company.

(f) The RCPS shall rank pari passu among themselves.

(g) The RCPS in the present capital shall be liable to be redeemed in accordance with the following provisions:

- Subject to the Act, each RCPS shall at the option of the Company be redeemed by payment by the Company in cash to the holder thereof on any date within a period of thirty days from the date of the audited accounts of the Company is accepted by the ordinary shareholders of the Company (the "Redemption Date").

- In the event of the Company determining to redeem a part only of the RCPS those to be redeemed shall be selected by drawings in such manner as the directors shall approve or a rate able proportion (as nearly as practicable without involving fractions of share) of each holding of such shares on the Redemption Date.

- No RCPS shall be redeemed otherwise than out of distributable profits or the proceeds of fresh issue of shares made for the purpose of the redemption, but the premium payable on redemption shall be paid either out of distributable profits or, to the extent permitted by law, out of the share premium account of the Company. All the provisions of the Act relating to the redemption of shares and the creation or increase where requisite of a capital redemption reserve shall be duly observed.

- Upon the Company giving notice of its intention to redeem, the Company will be obliged to redeem the RCPS the subject of the notice, on the Redemption Date as specified in the notice.

8. SHARE CAPITAL (cont'd)

The salient features of the RCPS are as follows: (cont'd)

(g) The RCPS in the present capital shall be liable to be redeemed in accordance with the following provisions: (cont'd)

- Until all the RCPS have been redeemed no further shares may be created and/or issued by the Company ranking in priority to the RCPS unless all the holders consent thereto in writing.

- Until all the RCPS have been redeemed no further shares may be issued ranking in any respect pari passu with the RCPS unless the holders of not less than three-quarters of the redeemable preference shares in each class consent thereto in writing.

- At the option of the RCPS holders and by notification in writing, convertible shares may be converted into ordinary shares.

- Notwithstanding anything to the contrary expressed or implied in these Articles there shall be no restriction on the transfer of RCPS and the directors shall be obliged to register any transfer of any RCPS.

Capital management

The primary objective of the Company's capital management is to ensure that the Company would be able to continue as a going concern while maximising the return to shareholders.

No changes were made in the objectives, policies or processes during the financial years ended 31st December 2023 and 31st December 2022.

9. PAYABLES

	2023 RM	2022 RM
Trade payables	3,417,995	1,011,460
Accruals	783,716	400,553
Amount owing to immediate holding company		
- Trade	495,805	249,189
- Non-trade (Interest bearing of 6.98% to 8.48% ; 2022: 3.94% to 7.90% per annum)	7,397,950	7,092,050
Amount owing to related companies - trade	638,456	438,246
Deposits received	2,430,935	2,551,263
	15,164,857	11,742,761
Disclosed as:		
- Non-current	7,397,950	7,092,050
- Current	7,766,907	4,650,711
	15,164,857	11,742,761

(a) The currency exposure profile of the payables are as follows:

	2023 RM	2022 RM
Ringgit Malaysia	5,516,279	2,124,830
Euro	444,622	1,361,332
Singapore Dollar	511,906	106,907
US Dollar	8,692,050	8,149,692
	15,164,857	11,742,761

(b) The normal trade credit periods granted to the Company range from 30 to 90 days (2022: 30 to 90 days) or such other period as negotiated with the suppliers.

(c) The trade amount owing to immediate holding company and related companies are unsecured, interest-free and repayable within the normal credit period.

(d) The non-current portion of amount owing to immediate holding company represents loan financing with interest bearing. The outstanding consideration is repayable after 3 years from year 2022.

9. PAYABLES (cont'd)

(e) The related party transactions are disclosed in Note 18.

(f) Other information of payables is disclosed in the following notes:

(i) Financial instruments – Note 19; and
(ii) Fair value measurement – Note 20.

10. LEASE LIABILITY

	2023 RM	2022 RM
Non-current	81,713	75,497
Current	165,674	176,145
	247,387	251,642

(a) The incremental borrowing rate applied to the lease liability is 4.002% (2022: 4.002%) per annum.

(b) The movements of lease liabilities during the financial year are as follows:

	2023 RM	2022 RM
As at 1st January	251,642	402,799
Addition	245,550	-
Interest charged	13,693	12,086
Payments:		
- Principal	(249,805)	(133,834)
- Interest	(13,693)	(12,086)
Remeasurement	-	(17,323)
As at 31st December	247,387	251,642

10. LEASE LIABILITY (cont'd)

(c) Lease liability obligations:

	2023 RM	2022 RM
Minimum lease payments:		
- Not later than 1 year	171,098	182,400
- Later than 1 year and not later than 5 years	83,097	76,000
	254,195	258,400
Less: Unexpired finance charges	(6,808)	(6,758)
	247,387	251,642
Present value of lease liabilities:		
- Not later than 1 year	165,674	176,145
- Later than 1 year and not later than 5 years	81,713	75,497
	247,387	251,642

(d) There is no expense relating to variable lease payments not included in the measurement of lease liability.

(e) The corresponding right-of-use assets of the lease liabilities are as disclosed in Note 6.

11. CONTRACT LIABILITIES

The movement in the contract liabilities during the financial year are as follows:

	2023 RM	2022 RM
Contract liabilities		
As at 1st January	35,723	3,968
Cash received and billing during the financial year	89,647	35,723
Revenue recognised	(35,723)	(3,968)
As at 31st December	89,647	35,723

11. CONTRACT LIABILITIES (cont'd)

(a) **Material accounting policy information**
The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised upon satisfaction of performance obligation by rendering services.

12. REVENUE

	2023 RM	2022 RM
Revenue from contracts with customers, recognised at point in time		
- Tourism service fee	39,488,848	12,522,269

The following information reflects the typical transactions of the Company:

Nature of services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable elements in consideration
Tourism service fee	Revenue is recognised upon service rendered.	Credit period is 90 days from invoice date.	N/A

	2023 RM	2022 RM
Geographical market		
Asia	18,386,586	2,091,386
Europe	17,424,978	9,571,568
Others	3,677,284	859,315
	39,488,848	12,522,269

12. REVENUE (cont'd)

The following table provides information about receivables and contract liabilities from contracts with customers:

	2023 RM	2022 RM
Trade receivables (Note 7)	2,159,325	1,418,571
Contract liabilities (Note 11)	(89,647)	(35,723)

No information provided about the remaining performance obligations at 31st December 2023 and 31st December 2022 that have an original expected duration of one year or less, as allowed by MFRS 15.

13. COST OF SALES

Cost of sales consists of expenses incurred related to purchase or procurement of hotel, transport, flight and other tourism related services.

14. PROFIT/ (LOSS) FROM OPERATIONS

The following items have been (credited)/ charged in arriving at profit/ (loss) from operations:

	2023 RM	2022 RM
Auditors' remuneration		
- Current year	22,000	19,000
- Over provision in prior year	-	(4,000)
Bad debts written off	4,531	19,652
Depreciation of property, plant and equipment	170,242	157,117
Depreciation of right-of-use asset	250,345	124,411
Directors' remuneration (Note 18(c))	451,950	252,811
Loss on foreign exchange		
- realised	66,714	62,593
- unrealised	319,348	243,170
Management fee	578,470	-
Rental income	-	(2,000)

14. PROFIT/ (LOSS) FROM OPERATIONS (cont'd)

The following items have been (credited)/ charged in arriving at profit/ (loss) from operations: (cont'd)

	2023 RM	2022 RM
Staff costs		
- Salaries, allowances, wages and bonuses	4,318,409	2,746,690
- Employees' Provident Fund	391,110	249,699
- Other employee benefits	232,647	80,240
Special assistance grant for tourism agency	-	(16,862)

15. FINANCE COSTS

	2023 RM	2022 RM
Interest charged by immediate holding company	657,201	398,795
Interest in lease liability	13,693	12,086
	670,894	410,881

16. TAXATION

Reconciliation of tax income with accounting profit/ (loss):

	2023 RM	2022 RM
Profit/ (loss) before taxation	58,543	(2,529,878)
Tax at current income tax rate at 24%	14,050	(607,171)
Tax effects in respect of:		
- Depreciation of non-qualifying property, plant and equipment	8,581	9,696
- Non-allowable expenses	207,673	231,861
- Deferred tax assets not recognised	-	365,614
- Utilisation of deferred tax asset previously not recognised	(230,304)	-
	-	-

16. TAXATION (cont'd)

The Company has the following potential deferred tax asset which has not been recognised:

	2023 RM	2022 RM
Unused business losses	6,984,000	7,705,000
Unused capital allowances	-	368,000
Right-of-use assets	(239,000)	(244,000)
Lease liabilities	247,000	252,000
Timing difference between accounting depreciation and capital allowance	(73,000)	(126,000)
Unrealised loss on foreign exchange	319,000	243,000
	7,238,000	8,198,000
Potential deferred tax asset not recognised at 24%	1,737,000	1,968,000

Deferred tax assets have not been recognised as it is not probable that sufficient future taxable profits will be available to offset against the deferred tax assets.

Pursuant to new law gazetted under the Budget 2022, the ability to carry forward unused business losses can be carried forward for a maximum period of ten (10) consecutive Year of Assessment ("YA"), effective YA 2019.

The unused tax losses and unused capital allowances of the Company are available for offsetting against future taxable profits as follows:

	2023 RM	2022 RM
Utilisation period		
Indefinite	-	368,000
Within 7 years	2,020,000	-
Within 8 years	3,092,000	2,741,000
Within 9 years	1,872,000	3,092,000
Within 10 years	-	1,872,000
	6,984,000	8,073,000

17. CASH AND CASH EQUIVALENTS

	2023 RM	2022 RM
Represented by:		
Cash in hand	1,752	1,208
Bank balances	1,919,289	1,251,302
	1,921,041	1,252,510

The currency exposure profile of the cash and bank balances are as follows:

	2023 RM	2022 RM
Ringgit Malaysia	828,217	875,623
Singapore Dollar	412,167	-
US Dollar	368,967	344,334
Euro	311,690	32,553
	1,921,041	1,252,510

18. SIGNIFICANT RELATED PARTIES DISCLOSURES

In addition to related party disclosure mentioned elsewhere in the financial statements, set out below are the other significant related party disclosures:

(a) Related parties

Related parties are parties in which one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company has related party relationships with the following:

(i) Immediate and ultimate holding companies as disclosed in Note 1.

18. SIGNIFICANT RELATED PARTIES DISCLOSURES (cont'd)

(a) Related parties (cont'd)

(ii) Subsidiary companies held by Fairfax Financial Holdings Limited:

Fairbridge Capital Mauritius Limited
Thomas Cook (India) Ltd.
SOTC Travel Limited
Travel Circle International (Mauritius) Limited
Asian Trails Holding Ltd.
Desert Adventures Tourism LLC.

(iii) Subsidiary companies held by Asian Trails Holding Ltd.:

Asian Trails Ltd.
Asian Trails (Cambodia) Ltd.
Asian Trails (Laos) Ltd.
Asian Trails (Vietnam) Co. Ltd.
Asian Trails Tour Ltd.
P.T. Asian Trails Indonesia
Chang Som Ltd.
Asian Trails International Travel Services (Beijing) Ltd.

(b) Related party transactions

In the normal course of business, the Company undertakes on agreed terms and prices, transactions with its related parties as follows:

	2023 RM	2022 RM
Professional fee charged by:		
- Asian Trails Ltd.	399,401	149,842
- Asian Trails Holding Ltd.	291,185	124,972
- Asian Trails (Vietnam) Co. Ltd.	26,820	-
- Asian Trails Tours Ltd.	22,039	9,928
- Desert Adventures Tourism LLC.	-	29,071
- P.T. Asian Trails Indonesia	1,136	6,872
Loan financing from:		
- Asian Trails Holding Ltd.	-	3,134,350
Interest expenses charged by:		
- Asian Trails Holding Ltd.	657,201	398,795

18. SIGNIFICANT RELATED PARTIES DISCLOSURES (cont'd)

(b) Related party transactions (cont'd)

	2023 RM	2022 RM
Management fee charged by:		
- Asian Trails Holding Ltd.	578,470	-
Sales to related companies:		
- Asian Trails Ltd.	447,025	91,465
- Asian Trails Singapore Pte. Ltd	474,212	446,421
- P.T. Asian Trails Indonesia	847	-
- SOTC Travel Limited	9,968,563	299,955
- Thomas Cook India Ltd.	2,387,731	274,880
Support service fee charged to:		
- Asian Trails International Travel Services (Beijing) Ltd.	6,773	6,541
- Asian Trails Tour Ltd.	6,773	6,541
- Asian Trails (Cambodia) Ltd.	6,773	6,546
- Asian Trails (Laos) Ltd.	6,773	6,541
- P.T. Asian Trails Indonesia	20,373	19,675
- Asian Trails (Vietnam) Co. Ltd.	20,373	19,675
- Asian Trails Ltd.	27,145	26,216
- Asian Trails Singapore Pte. Ltd	1,382,961	100,882

Information regarding outstanding balances arising from related party transactions as at 31st December 2023 and 31st December 2022 are disclosed in Note 7 and Note 9.

(c) Compensation of key management personnel

The members of key management are also the Directors of the Company. The key management's remuneration includes fees, salaries, bonuses, allowances and other benefits computed based on the cost incurred by the Company. The Directors did not receive other benefits-in-kind. The key managements' remuneration is as follows:

	2023 RM	2022 RM
Directors' remuneration		
- Salaries, bonuses and allowances	451,950	252,811

19. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis is of financial instruments categorised as follows:

(i) Financial assets measured at amortised cost ("AC")
(ii) Financial liabilities measured at amortised cost ("FL")

	Carrying amount RM	AC/ (FL) RM
2023		
Financial assets		
Receivables *	4,061,949	4,061,949
Cash and bank balances	1,921,041	1,921,041
	5,982,990	5,982,990
Financial liabilities		
Payables	(15,164,857)	(15,164,857)
Lease liability	(247,387)	(247,387)
	(15,412,244)	(15,412,244)
2022		
Financial assets		
Receivables *	2,028,022	2,028,022
Cash and bank balances	1,252,510	1,252,510
	3,280,532	3,280,532
Financial liabilities		
Payables	(11,742,761)	(11,742,761)
Lease liability	(251,642)	(251,642)
	(11,994,403)	(11,994,403)

* Receivables exclude prepayment as it does not meet the definition of financial instrument.

19. FINANCIAL INSTRUMENTS (cont'd)

(b) Net loss arising from financial instruments

	2023 RM	2022 RM
Net loss on:		
Financial assets at amortised cost	4,531	19,652
Financial liabilities at amortised cost	670,894	410,881
	675,425	430,533

(c) Financial risk management

The Company's financial risk management objective is to ensure that there are adequate financial resources available to meet its operating requirements and managing the associated risks effectively. The Company does not use derivative financial instruments to hedge its risks and trade in financial instruments during the financial year.

The main risks arising from the Company's financial instruments are credit risk, market risk and liquidity risk.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk mainly from trade receivables, amount owing from related companies, cash and bank balances.

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

Analysis of the Company's trade receivables is reflected in Note 7.

Amount owing from related companies

The credit risk arising from amount owing from related companies is managed on a group basis by the management of the Company to ensure that risk of losses incurred by the Company due to non-repayment by related companies is minimal.

At the end of the reporting period, there was no indication that the balance owing from related companies is not recoverable.

19. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management (cont'd)

(i) Credit risk (cont'd)

Cash and bank balances
Cash and bank balances are placed with banks and financial institutions which are regulated.

(ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Company's financial position or cash flows.

Foreign currency risk
The Company incurs foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. Foreign currency risk is monitored closely and managed to an acceptable level.

The net carrying amounts of financial assets and financial liabilities stated at currencies other than the functional currencies are as follows:

	2023 RM	2022 RM
Financial assets		
- Receivables	2,495,182	436,165
- Cash and bank balances	1,092,824	376,887
	3,588,006	813,052
Financial liabilities		
- Payables	9,648,578	9,617,931

5% and 10% (2022: 5% and 10%) weakening of the Malaysian Ringgit ("RM") against the other currencies at the end of the reporting period would have decreased profit net of tax by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

19. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management (cont'd)

(ii) Market risk (cont'd)

Foreign currency risk (cont'd)

	Decrease in profit after tax RM	Decrease in equity RM
Effect of changes in RM against foreign currency		
2023		
- Weakened by 5%	(217,188)	(217,188)
- Weakened by 10%	(434,376)	(434,376)
2022		
- Weakened by 5%	(330,063)	(330,063)
- Weakened by 10%	(660,126)	(660,126)

Conversely, a strengthening of RM against the other currencies at the end of the reporting period would have the equal but opposite effect on the above currency to the amounts shown above assuming that all other variables remained constant.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its payables.

The Company has no policy to ensure the continuity of funding from external source as the immediate holding company will give continuous financial support to the Company.

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

19. FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

	Carrying amount RM	Contractual interest rate/ Discount rate %	Contractual cash flows RM	Under 1 year RM	Between 1 to 2 years RM	Between 3 to 5 years RM
2023						
Payables classified as financial liabilities (Note 19(a))	15,164,857	6.98 - 8.48	16,317,057	8,343,007	7,974,050	-
Lease liability	247,387	4.002	254,195	171,098	83,097	-
	15,412,244		16,571,252	8,514,105	8,057,147	-
2022						
Payables classified as financial liabilities (Note 19(a))	11,742,761	3.94 - 7.90	13,002,161	5,070,511	419,800	7,511,850
Lease liability	251,642	4.002	258,400	182,400	76,000	-
	11,994,403		13,260,561	5,252,911	495,800	7,511,850

20. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair values information

The following methods and assumptions are used to determine the fair value of each of the financial assets or liabilities for which it is practicable to estimate their values:

(i) Cash and cash equivalents, other receivables, other payables and amounts owing from/ (to) immediate holding company and related companies

The carrying values of these amounts approximate their fair values due to their short term nature.

(ii) Trade receivables and trade payables

The carrying values of these amounts approximate their fair values because these are subject to normal trade credit terms and their short term nature.

(iii) Amount due to immediate holding company – non-current

The fair value of amount due to immediate holding company which is long term financial liability is estimated based on future contractual cash flows discounted at current market assessments of the time value of money and the risks specific to the liabilities.

(b) Fair value measurement hierarchy

At 31st December 2023 and 31st December 2022, no financial assets and liabilities were carried at fair value.

21. CAPITAL COMMITMENT

Capital commitment at the end of the financial year is as follows:

	2023 RM	2022 RM
Approved and contracted for:		
- Property, plant and equipment	14,359	-

22. COMPARATIVE FIGURES

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

23. CURRENCY

All amounts are stated in Ringgit Malaysia, unless otherwise indicated.

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Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

DETAILED PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

	2023 RM	2022 RM
REVENUE		
Tourism service fee	39,488,848	12,522,269
COST OF SALES		
Hotel, ticketing and tour package	(31,829,816)	(10,054,780)
GROSS PROFIT	7,659,032	2,467,489
OTHER OPERATING INCOME		
Brochures and collaterals		
- Current year	58,240	36,890
- Over recognised in prior years	-	(46,290)
Other income	4,425	-
Rental income	-	2,000
Special assistance grant for tourism agency	-	16,862
Support service fee	1,477,944	192,617
	1,540,609	202,079
	9,199,641	2,669,568
MARKETING COSTS	(481,597)	(190,071)
ADMINISTRATIVE EXPENSES	(7,988,607)	(4,598,494)
PROFIT/ (LOSS) FROM OPERATIONS	729,437	(2,118,997)
FINANCE COSTS	(670,894)	(410,881)
PROFIT/ (LOSS) BEFORE TAXATION	58,543	(2,529,878)

The above detailed profit or loss was prepared for management purposes only and does not form part of the audited financial statements.

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023

	2023 RM	2022 RM
MARKETING COSTS		
Marketing survey expenses	234,805	96,863
Travelling and accommodation	246,792	93,208
	481,597	190,071
ADMINISTRATIVE EXPENSES		
Auditors' remuneration		
- Current year	22,000	19,000
- Over provision in prior year	-	(4,000)
Bad debts written off	4,531	19,652
Bank charges	34,084	21,760
Depreciation of property, plant and equipment	170,242	157,117
Depreciation of right-of-use asset	250,345	124,411
Directors' remuneration	451,950	252,811
Electricity and water	28,841	16,988
Electronic data processing maintenance fee	22,692	35,448
Gift and donation	-	392
Insurance and road tax	96,093	60,565
Legal fee	-	12,000
Legal fee - disbursements	469	50
Licence fee	57,723	31,773
Loss on foreign exchange:		
- realised	66,714	62,593
- unrealised	319,348	243,170
Management fee	578,470	-
Office expenses	35,188	17,816
Postage and courier	1,913	706
Printing and stationery	15,902	9,797
Professional fees	742,353	320,685
Balance carried forward	2,898,858	1,402,734

The above detailed profit or loss was prepared for management purposes only and does not form part of the audited financial statements.

Registration No.
200001012196 (514802-A)

ASIAN TRAILS (M) SDN. BHD.

Incorporated in Malaysia

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2023 (Cont'd)

	2023 RM	2022 RM
ADMINISTRATIVE EXPENSES (cont'd)		
Balance brought forward	2,898,858	1,402,734
Repair and maintenance	20,328	16,421
Recruitment cost	31,346	19,116
Staff costs		
- Salaries, allowances, wages and bonuses	4,318,409	2,746,690
- Employees' Provident Fund	391,110	249,699
- SOCSO	84,044	50,021
- Others	103,980	14,401
- Staff training	3,188	-
- Staff uniform	-	250
- Staff welfare and refreshment	41,435	15,568
Subscription fee	2,051	1,471
Tax consulting fee	9,650	16,896
Telephone and fax	63,272	53,042
Upkeep of computers	13,453	4,543
Workers' permit	7,483	7,642
	7,988,607	4,598,494

FINANCE COSTS

	2023 RM	2022 RM
Interest charged by immediate holding company	657,201	398,795
Interest in lease liability	13,693	12,086
	670,894	410,881

The above detailed profit or loss was prepared for management purposes only and does not form part of the audited financial statements.

GREAT SOUTH

CÔNG TY KIỂM TOÁN VÀ GIẢI PHÁP CÔNG NGHỆ THÔNG TIN ĐẠI NAM

GREAT SOUTH AUDITING AND INFORMATION TECHNOLOGY SOLUTION CO., LTD.

KIỂM TOÁN THỦY CHUNG

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2023

ASIAN TRAILS CO., LTD

bsite: www.gs-audit.com

AUDITING

ACCOUNTING

ASIAN TRAILS CO., LTD

CONTENTS

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ASIAN TRAILS CO., LTD.

28D1, Sai Gon Pearl Villas, 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City

REPORT OF THE DIRECTORS

The Directors of Asian Trails Co., Ltd ('the company') present this report together with the audited financial statements for the fiscal year ended 31 December 2023.

Business highlights

- Asian Trails Co. Ltd is established under the business license No. 4102003844 granted by Planning and Investment Department on 22 February 2001 and the 10th changing of certificate business registration on 16 July 2020.
- Charter capital: VND 3,000,000,000 (three billion Vietnam Dong).
- Structure of charter capital as follows:

Members	As certificate of business registration	Rate
– Bui Viet Thuy Tien	VND 2,400,000,000	80%
– Bui Viet Hong Duc	VND 600,000,000	20%
Total	**VND 3,000,000,000**	**100%**

- Head office
  - Address: 28D1, Sai Gon Pearl Villas, 92 Nguyen Huu Canh, Ward 22 Binh Thanh District, Ho Chi Minh City.
- Principal activities and significant changes to the business
  - Domestic and international tourist service, trading souvenir, handicraft products, commercial services, goods consignment agent.

Financial position and business results

The financial position as of Asian Trails Co., Ltd, the business results and the cash flows for the year then ended of the company have been expressed in the financial statements attached to this report (from page 04 to page 14).

Current assets

At the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to current assets in the financial statements as misleading.

Contingent liabilities

At the date of this report, no contingent liabilities have arisen since the end of the fiscal year against the assets of the Company.

Subsequent events

The Directors of the company hereby confirm that there have been no events after 31 December 2023 to the date of this report, which need any adjustments on the figures or the disclosures in the financial statements.

The Board of Directors

The Board of Directors of the company during the year and as of the date of this report include:

Full name	Position
– Ms Bui Viet Thuy Tien	Director

ASIAN TRAILS CO., LTD.

28D1, Sai Gon Pearl Villas, 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City

Auditors

Thuy Chung Auditing - Branch of the Great South Auditing & Information Technology Solution Co., Ltd have performed the audit on the company's financial statements for the fiscal year ended 31 December 2023 and have expressed their willingness to be appointed the company's external auditors in the coming years.

Confirmations of the Directors

The Directors of the company are responsible for the preparation of the financial statements to give a true and fair view of the financial position as of the balance sheet date, the business results, and the cash flows of the company for each of the company's fiscal year. In order to prepare these financial statements, the Directors must:

- Select the appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently.
- Announce the accounting standards to be followed for the material issues to be disclosed and explained in the financial statements; and
- Prepare the financial statements of the company on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate.

The Directors hereby ensure that all the requirements mentioned above have been followed when the financial statements are prepared, that all the accounting books of the company have been fully recorded and can fairly reflect the financial position of the company at any time, and that all the financial statements have been prepared in compliance with the Vietnamese accounting system and standards.

The Directors are also responsible to protect the assets of the company, and consequently have proceeded appropriate measures to prevent and to detect frauds and other irregularities.

We, the Directors of the company, confirm that all the accompanying financial statements and the notes to the financial statements have been properly prepared and have given a true and fair view of the financial position as of 31 December 2023, the business results and the cash flows for the year then ended of the company in compliance with the Vietnamese accounting system and standards as well as other related regulations.

For and on behalf of the Directors

CÔNG TY TNHH DU LỊCH ĐƯỜNG MÒN CHÂU Á

BUI VIET THUY TIEN
Director
11 March 2024

KIỂM TOÁN THỦY CHUNG - CHI NHÁNH CÔNG TY KIỂM TOÁN VÀ GIẢI PHÁP CNTT ĐẠI NAM
THUY CHUNG AUDITING - BRANCH OF GREAT SOUTH AUDITING AND I.T. SOLUTION CO., LTD.
5th floor, 97 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, HCMC
Tel: (84 - 28) 39 141 152 / 39 141 153 Email: kttc@thuychung.com.vn

No. CN/KTTC/ 093A

INDEPENDENT AUDITOR'S REPORT

To: THE DIRECTOR OF ASIAN TRAILS CO., LTD

We have audited the accompanying financial statements of Asian Trails Co., Ltd for the fiscal year ended 31 December 2023 prepared on 11 January 2024 on pages from 04 to 14 including Balance Sheet, Income statement, Cash flow and Notes to the Financial Statements of your Company attached with hereafter.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards and systems and statutory regulations relevant to preparation and presentation of financial statements; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material mis-statement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, in the all material respects, these financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of the results of its operations and its cash flow for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory regulations relevant to preparation and presentation of financial statements.

Thuy Chung Auditing - Branch of the Great South Auditing & Information Technology Solution Co., Ltd

PhD Phung Thi Thanh Thuy – Director	**Pham Gia Bao Ngoc – Auditor**
Audit Practicing Registration	*Audit Practicing Registration*
Certificate No. 0126-2024-169-1	*Certificate No. 1267-2023-169-1*
Ho Chi Minh City, 11 March 2024	

ASIAN TRAILS CO., LTD.

28D1, Sai Gon Pearl Villas, 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City

BALANCE SHEET

As at 31 December 2023

UNIT : USD

Description	Note	As at 31 December 2023		As at 31 December 2022	
ASSETS					
Fixed assets					
– Historical cost	V.8	32.751,81		32.751,81	
– Accumulated depreciation	V.8	(32.751,81)		(32.681,53)	
			-		*70,28*
Current assets					
– Short-term deposits	V.3	25.959,64		25.580,83	
– Receivables from customers	V.4	1.433.008,09		422.759,56	
– Advance to suppliers	V.5	165.177,37		359.342,18	
– Other receivable	V.6	5.407,43		36.757,78	
– Prepaid expenses	V.7	36.606,02		24.559,71	
– Investments in other entities	V.10	41.203,20		41.203,20	
– Loan receivable	V.9	1.257.549,51		1.291.253,44	
			2.964.911,26		*2.201.456,70*
– Cash on hand	V.1	41.040,96		36.174,24	
– Cash at bank	V.2	2.124.275,93		1.412.413,18	
			2.165.316,89		*1.448.587,42*
TOTAL ASSETS			**5.130.228,15**		**3.650.114,40**
EQUITY					
– Paid-in capital	V.12	143.540,00		143.540,00	
– Undistributed earnings	V.12	549.337,94		(24.734,52)	
+ Retained earning of the previous years		*(24.734,52)*		*41.522,93*	
+ Profit/ losses of the current year		*574.072,46*		*(66.257,45)*	
			692.877,94		*118.805,48*
– Bonus and welfare funds		135.614,03		135.614,03	
– Payable to suppliers	V.13	771.874,72		254.521,93	
– Advance from customers	V.14	930.687,03		1.263.490,78	
– Lease liability		-		-	
– Personal income tax	V.15	354,48		364,80	
– Corporate income tax	V.15	206.233,01		158.233,01	
– Value added tax payable	V.15	770.084,41		647.707,37	
			2.814.847,68		*2.459.931,92*
– Others payable	V.16	55.361,04		105.473,89	
– Provision for unemployment	V.17	318.134,44		307.830,82	
– Accrual expenses	V.11	1.249.007,05		658.072,29	
			1.622.502,53		*1.071.377,00*
TOTAL EQUITY			**5.130.228,15**		**3.650.114,40**

Ho Chi Minh City, 11 January 2023

Chief accountant	*Director*
PHAM THI KIM KHANH	**BUI VIET THUY TIEN**

M.S.D.N:0302229325-C.T.T.N.H.H
CÔNG TY TNHH
DU LỊCH ĐƯỜNG MÒN
CHÂU Á
THÀNH PHỐ HỒ CHÍ MINH

ASIAN TRAILS CO., LTD.

28D1, Sai Gon Pearl Villas, 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City

PROFIT AND LOSS STATEMENT
For the year 2023

UNIT : USD

Description	Note	Year 2023	Year 2022
INCOME		**13.995.090,13**	**3.971.885,73**
– Sales from rendering services	VI.1	13.718.984,87	3.932.199,81
– Financial income	VI.2	78.113,50	36.383,55
– Sales returns	VI.1	-	-
– Others income	VI.3	197.991,76	3.302,37
EXPENSES		**13.421.017,67**	**4.038.143,18**
– Cost of tours	VI.4	11.459.517,04	3.124.763,35
– Sales and marketing expenses	VI.5	118.823,96	19.170,93
– Depreciation expenses		70,28	1.201,93
– Personnel expenses	VI.6	861.063,78	412.588,58
– Management expenses	VI.7	483.853,23	280.757,22
– Bad debt		0,80	26.248,00
– Financial expenses	VI.8	-	-
– Bank charges	VI.8	12.318,48	5.063,73
– Taxes	VI.9	252.550,96	78.829,31
– Management fees paid		201.538,59	57.786,13
– Other expenses		31.280,55	31.734,00
PROFITS		**574.072,46**	**(66.257,45)**

Ho Chi Minh City, 11 January 2023

Chief Accountant — ***Director***

CÔNG TY TNHH DU LỊCH ĐƯỜNG MÒN CHÂU Á — M.S.D.N: 0302 — T.N.H.H — THÀNH PHỐ HỒ CHÍ MINH

Khanh

PHAM THI KIM KHANH — **BUI VIET THUY TIEN**

NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended 31 December 2023

These notes are integral part of and should be read in conjunction with the financial statements for the fiscal year ended 31 December 2023 of Asian Trails Co., Ltd ("the Company").

I. OPERATION FEATURES

1. Form of owner: Asian Trails Co. Ltd is established under the business license No. 4102003844 granted by Planning and Investment Department on 22 February 2001 and the 10th changing of certificate business registration on 16 July 2021 has allowed the company to move the head quarter to 28D1, Sai Gon Pearl Villas, 92 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City.

2. Business lines: Domestic and international tour service, trading souvenir, handicraft products, commercial services, goods consignment agent.

3. Material effects on the Company's operation:

- There have not any fluctuations which can cause material effects on the Company's operations during the year.

II. ACCOUNTING PERIOD AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year is from 01 January to 31 December annual.

2. Standard currency unit used in accounting and method of foreign currency transaction

The standard currency unit used is USD, other currencies are converted into USD at the time the business transactions happen with the exchange rate issued by State Bank or real exchange ruling at the date of the transaction.

III. ACCOUNTING SYSTEM AND STANDARDS

1. Accounting system

The company adopt the International Accounting Standards.

2. Accounting form:

General Journal.

3. Fixed assets and depreciation of fixed assets

Evaluation method

Historical costs of fixed assets include the buying prices and other directly related costs to put the fixed assets into use.

When the assets are disposed or liquidated, their historical costs and accumulated depreciation are written off then any profit or loss generated from the liquidation is included in the Income Statement.

Depreciation method

Fixed assets are depreciated in accordance with the straight-line method to write off their historical costs during their estimated useful lives as stipulated in the Decision No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance.

The annual depreciation periods applied are as follows:

Fixed assets	Years
Office equipment	03
Means of transportation	10
Intangible fixed assets	03

4. Method of sales and expenditure recognition

Revenue of sales is recognized in the income statement when service is performed.
Expenses are recorded corresponding to the sales at the transaction dates.

5. Principles of recognized accruals and unemployment funds.

Accrued tours cost made by invoices received up to the date signed financial report and estimated by the managers.
Unemployment fund made by 50% of one month salaries.

6. Principles for recognized provision for bad debts.

Provision for bad debts made for all trade receivables over due 3 months.

IV. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET

Unit: USD

1. Cash on hand

	Ending balance	Beginning balance
– Cash on hand at Ho Chi Minh Office	**19.531,71**	**7.806,46**
+ Cash in hand (USD)	1.431,78	5.792,00
+ Cash in hand (VND)	18.099,93	2.014,93
(equivalent in VND)	*439.105.554*	*47.488.495*
– Cash on hand – Da Nang Branch	**5.687,79**	**9.063,47**
+ Cash in hand (USD)	1.578,00	32,00
+ Cash in hand (VND)	4.109,79	9.031,47
(equivalent in VND)	*98.920.448*	*212.906.023*
– Cash on hand – Ha Noi Branch	**15.821,46**	**19.304,31**
+ Cash in hand (USD)	5.897,89	9.817,92
+ Cash in hand (VND)	9.923,57	9.486,39
(equivalent in VND)	*240.746.467*	*231.445.586*
TOTAL	**41.040,96**	**36.174,24**

2. Cash in bank

	Ending balance	Beginning balance
– Cash at bank - Ho Chi Minh Office	**1.328.777,36**	**1.377.554,57**
At Viecombank	***1.112.738,15***	***1.348.290,01***
+ Cash at bank (VND)	56.628,74	56.286,61
(equivalent in VND)	*1.369.434.148*	*1.326.883.451*
+ Cash at bank (USD)	1.012.777,58	1.282.614,31
+ Cash at bank (EUR)	43.331,83	9.389,09
At ACB	***216.039,21***	***29.264,56***
+ Cash at bank (VND)	121.327,21	28.750,29
(equivalent in VND)	*2.943.527.421*	*677.870.717*
+ Cash at bank (USD)	94.712,00	514,27
– Cash at bank - Da Nang Branch	**216,76**	**403,36**
(equivalent in VND)	*5.258.660*	*9.508.667*
– Cash at bank - Ha Noi Branch	**10,18**	**21,88**
(equivalent in VND)	*246.945*	*515.813*
– Cash at DBS BANK (Singapore)	**795.271,63**	**34.433,37**
TOTAL	**2.124.275,93**	**1.412.413,18**

3. Short-term deposits

	Ending balance	Beginning balance
– Deposit for office rental in Saigon	14.390,13	7.500,81
– Deposit for Onepay	-	6.510,51
– Deposit for International Tourism	11.210,76	11.210,76
– Deposit for Vinasun taxi card	134,53	134,53
– Deposit for roaming fees	224,22	224,22
TOTAL	**25.959,64**	**25.580,83**

4. Receivables from customers

	Ending balance	Beginning balance
– Receivables from customers	1.433.008,09	422.759,56
Total	**1.433.008,09**	**422.759,56**

5. Advance to suppliers

	Ending balance	Beginning balance
– Advance to suppliers	165.177,37	359.342,18
Total	**165.177,37**	**359.342,18**

6. Other receivables

	Ending balance	Beginning balance
– Other receivables	5.407,43	36.757,78
Total	**5.407,43**	**36.757,78**

7. Prepaid expenses

	Ending balance	Beginning balance
– Prepaid expenses – Insurance expenses	0,18	2.315,21
– Prepaid expenses – Others expenses	35.229,38	22.177,81
– Prepaid expenses – Rental fees	81,84	42,68
– Prepaid Expenses - Other Stock	1.270,61	-
– Prepaid expenses - Internet & Software License	24,01	24,01
TOTAL	**36.606,02**	**24.559,71**

8. Fixed assets

Items	Office equipment	Transportation	Total
Historical costs			
Beginning balance	**31.248,25**	**1.503,56**	**32.751,81**
– Increases	-	-	-
In Which:			
New purchases	-	-	-
– Decreases			
Ending balance	**31.248,25**	**1.503,56**	**32.751,81**
Depreciation			
Beginning balance	**31.177,97**	**1.503,56**	**32.681,53**
– Increases	70,28	-	70,28
– Decreases		-	-
Ending balance	**31.248,25**	**1.503,56**	**32.751,81**
Net book values			-
– Beginning balance	**70,28**	-	**70,28**
– Ending balance	-	-	-

9. Loan receivable

	Ending balance	Beginning balance
– Loan receivable	1.257.549,51	1.291.253,44
Total	**1.257.549,51**	**1.291.253,44**

Loan receivable in details as at 31 December 2023

	USD
– Asian Trails Holding	1.139.145,65
– Asian Trails Thai Lan	54.407,68
– Ms Bui Viet Thuy Tien	63.996,18
Total	**1.257.549,51**

10. Investments in other entities

	Ending balance	Beginning balance
– Investments in other entities	41.203,20	41.203,20
TOTAL	**41.203,20**	**41.203,20**

11. Accrued expenses

	Ending balance	Beginning balance
– Accrued liabilities - Cost of sales (NetSuite)	1.050.587,63	479.894,38
– Accrued liabilities - Others	34.539,13	53.141,30
– Accrued liabilities - Cost of sales (Passion)	-	455,44
– Accrued liabilities - Sales Commission	92.519,16	54.582,42
– Accrued intercompany expenses	62.798,83	62.786,13
– Accrued liabilities - Audit Fee	3.978,99	2.629,31
– Accrued liabilities - Non current ROU Lease Liability	4.583,31	4.583,31
TOTAL	**1.249.007,05**	**658.072,29**

12. Paid-in capital

Statement of fluctuations in owner's equity

	Capital	Retained earnings	Total
Beginning balance of the previous year	**143.540,00**	**41.522,93**	**185.062,93**
– Capital increased in the previous year	-	-	-
– Profit of the previous year	-	(66.257,45)	**(66.257,45)**
– Profit sharing of the previous year	-	-	-
Ending balance of the current year	**143.540,00**	**(24.734,52)**	**118.805,48**
Beginning balance of the current year	**143.540,00**	**(24.734,52)**	**118.805,48**
– Capital increased in the year	-	-	-
– Loss of the current year	-	574.072,46	574.072,46
– Profit sharing of the current year	-	-	-
Ending balance of the current year	**143.540,00**	**549.337,94**	**692.877,94**

13. Payable to suppliers

	Ending balance	Beginning balance
– Payable to suppliers	771.874,72	254.521,93
TOTAL	**771.874,72**	**254.521,93**

14. Advance from customers

	Ending balance	Beginning balance
– Advance from customers	930.687,03	1.263.490,78
TOTAL	**930.687,03**	**1.263.490,78**

15. Tax payable

	Ending balance	Beginning balance
– Personal income tax	354,48	364,80
– Corporate income tax	206.233,01	158.233,01
– Value added tax payable	770.084,41	647.707,37
TOTAL	**976.671,90**	**806.305,18**

16. Other payable

	Ending balance	Beginning balance
– Other payable	55.361,04	105.473,89
TOTAL	**55.361,04**	**105.473,89**

17. Provision for unemployment

	Ending balance	Beginning balance
– Provision for unemployment	318.134,44	307.830,82
TOTAL	**318.134,44**	**307.830,82**

V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

1. Sales from rendering services

	Current year	Previous year
– Sales from tours	13.718.984,87	3.932.199,81
TOTAL	**13.718.984,87**	**3.932.199,81**

2. Financial income

	Current year	Previous year
– Interest income	78.113,50	36.383,55
TOTAL	**78.113,50**	**36.383,55**

3. Other income

	Current year	Previous year
– Other income	197.991,76	3.302,37
TOTAL	**197.991,76**	**3.302,37**

4. Cost of sales

	Current year	Previous year
– Cost of tours	11.459.517,04	3.124.763,35
TOTAL	**11.459.517,04**	**3.124.763,35**

5. Sales & marketing expenses

	Current year	Previous year
– Trade shows expenses	1.007,57	280,95
– Advertising local expenses	108,94	-
– Agent Inspection Trip Expenses	10.745,12	-
– Other marketing & advertising expenses	37.788,33	18.889,98
TOTAL	**118.823,96**	**19.610,84**

6. Personnel expenses

	Current year	Previous year
– Salaries & wages	769.109,53	362.659,10
– Social security fund	54.898,03	35.101,11
– Medical	3.523,71	3.134,67
– Training & recruitment	4.081,99	2.369,33
– Others personnel expenses	29.450,52	9.324,37
TOTAL	**861.063,78**	**412.588,58**

7. Management expenses

	Current year	Previous year
Communication expenses		
– Telephone charges	2.856,34	2.646,28
– Postage and courier expenses	716,82	591,86
Total Communication expenses	**3.573,16**	**3.238,14**
Office expenses		
– Office rental	74.096,40	51.183,34
– Electricity and water expenses	6.341,24	4.053,70
– Software maintenance expenses	526,66	-
– IT expenses	4.350,45	1.980,63
– Other office expenses	19.639,35	8.300,74
Total Office expenses	**104.954,10**	**65.518,41**
Administration expenses		
– Printing and stationeries expenses	3.319,24	1.525,00
– Internet (domain name)	-	76,94
– Audit fees	3.000,00	1.656,00
– Transportation expenses	5.991,04	341,22
– Accommodation expenses	-	105,31
– Travelling expenses	30.226,30	11.239,33
– Entertainment expenses	2.424,38	667,03
– Insurance expenses	8.918,60	8.930,63
– Membership fees	-	351,82
– Others administration expenses	3.749,19	2,39
– Other miscellaneous expense	317.697,22	187.105,00
Total Administration expenses	***375.325,97***	***212.000,67***
TOTAL	**483.853,23**	**280.757,22**

8. Financial expense

	Current year	Previous year
− Bank charges	12.318,48	5.063,73
TOTAL	**12.318,48**	**5.063,73**

9. Others expenses

	Current year	Previous year
− Corporate income tax expenses	48.170,14	219,40
− Value added tax expenses	204.380,82	78.609,91
TOTAL	**252.550,96**	**78.829,31**

VI. SUBSEQUENT EVENT

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

M.S.D.N:0302229325-C.T.T.N.H.H
CÔNG TY TNHH
DU LỊCH ĐƯỜNG MÒN
CHÂU Á
THÀNH PHỐ HỒ CHÍ MINH

PHAM THI KIM KHANH	**BUI VIET THUY TIEN**
Chief Accountant	**Director**
11 January 2024	

Asian Trails Ltd.

Financial statements for the year ended
31 March 2024
and
Independent Auditor's Report

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Independent Auditor's Report

To the Shareholders of Asian Trails Ltd.

Opinion

I have audited the financial statements of Asian Trails Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2024, the statements of income and changes in capital deficiency for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
14 June 2024

Asian Trails Ltd.

Statement of financial position

Assets	Note	31 March 2024	31 March 2023
		(in Baht)	
Current assets			
Cash and cash equivalents		11,998,473	10,438,898
Trade and other receivables	*4*	234,564,854	149,998,722
Other current assets		44,169,770	21,006,549
Total current assets		**290,733,097**	**181,444,169**
Non-current assets			
Investment in subsidiaries	*5*	5,999,840	5,999,840
Leasehold improvements and equipment	*6*	11,696,669	3,301,451
Intangible assets		62,582	145,810
Deferred tax assets	*7*	15,922,966	16,413,661
Restricted deposits at financial institution		10,000	10,000
Other non-current assets		2,134,917	1,890,664
Total non-current assets		**35,826,974**	**27,761,426**
Total assets		**326,560,071**	**209,205,595**

The accompanying notes are an integral part of these financial statements.

Asian Trails Ltd.

Statement of financial position

Liabilities and capital deficiency	*Note*	31 March 2024	31 March 2023
		(in Baht)	
Current liabilities			
Bank overdrafts	*8*	29,108,231	40,757,570
Trade and other payables		324,440,139	172,664,060
Unsecured short-term loan from immediate parent company	*8, 11*	52,906,875	54,988,543
Unsecured short-term loans from related parties	*8, 11*	4,390,533	3,386,412
Advance received from customers		73,788,336	50,246,809
Other current liabilities		3,132,938	700,252
Total current liabilities		**487,767,052**	**322,743,646**
Non-current liability			
Unsecured long-term loan from immediate parent company	*8, 11*	254,682,750	233,013,949
Unsecured long-term loans from related parties	*8, 11*	-	6,358,333
Provision for retirement benefits	*9*	27,042,339	24,006,363
Total non-current liability		**281,725,089**	**263,378,645**
Total liabilities		**769,492,141**	**586,122,291**
Capital deficiency			
Share capital			
Authorised share capital		24,000,000	24,000,000
(240,000 ordinary shares, par value at Baht 100 per share)			
Issued and paid-up share capital		24,000,000	24,000,000
(240,000 ordinary shares, par value at Baht 100 per share)			
Deficit			
Appropriated			
Legal reserve		2,400,000	2,400,000
Deficit		(469,332,070)	(403,316,696)
Capital deficiency		**(442,932,070)**	**(376,916,696)**
Total liabilities and capital deficiency		**326,560,071**	**209,205,595**

The accompanying notes are an integral part of these financial statements.

Asian Trails Ltd.

Statement of income

	Note	Year ended 31 March 2024	2023
		(in Baht)	
Income			
Revenue from rendering of services		1,304,216,605	694,124,491
Interest income		10,477	2,769
Other income		42,330,797	32,780,988
Total income		**1,346,557,879**	**726,908,248**
Expenses			
Cost of rendering of services		1,110,996,568	583,350,262
Selling expenses		17,783,279	19,873,128
Administrative expenses		231,178,869	166,871,198
Net foreign exchange loss		22,559,717	1,320,345
Total expenses		**1,382,518,433**	**771,414,933**
Loss before finance costs and income tax expense		**(35,960,554)**	**(44,506,685)**
Finance costs		29,564,124	25,092,178
Loss before tax expense		**(65,524,678)**	**(69,598,863)**
Income tax expense (income)	*7*	490,696	(596,266)
Loss for the year		**(66,015,374)**	**(69,002,597)**

The accompanying notes are an integral part of these financial statements.

Asian Trails Ltd.

Statement of changes in capital deficiency

		Retained earnings (Deficit)		
	Issued and paid-up share capital	Legal reserve	Unappropriated (Deficit)	Total equity (capital deficiency)
		(in Baht)		
Year ended 31 March 2023				
Balance at 1 April 2022	**24,000,000**	**2,400,000**	**(334,314,099)**	**(307,914,099)**
Loss for the year	-	-	(69,002,597)	(69,002,597)
Balance at 31 March 2023	**24,000,000**	**2,400,000**	**(403,316,696)**	**(376,916,696)**
Year ended 31 March 2024				
Balance at 1 April 2023	**24,000,000**	**2,400,000**	**(403,316,696)**	**(376,916,696)**
Loss for the year	-	-	(66,015,374)	(66,015,374)
Balance at 31 March 2024	**24,000,000**	**2,400,000**	**(469,332,070)**	**(442,932,070)**

The accompanying notes are an integral part of these financial statements.

Asian Trails Ltd.
Notes to the financial statements
For the year ended 31 March 2024

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2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Trade and other receivables
5	Investment in subsidiaries
6	Leasehold improvements and equipment
7	Deferred tax
8	Interest-bearing liabilities
9	Provision for retirement benefits
10	Commitments
11	Reclassification
12	Other information

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the directors on 14 June 2024.

1 General information

Asian Trails Ltd., the "Company", is incorporated in Thailand and has its registered office at no. 183 Regent House Building, 12th Floor, Rajdamri Road, Lumpini Sub-district, Pathumwan Distrrict, Bangkok. The principal activity of the Company is tour operating services, both inbound and outbound services.

The immediate and ultimate parent companies during the financial year were Asian Trails Holding Ltd. and Thomas Cook (India) Limited, which are incorporated in Republic of Mauritius and India, respectively.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Revised B.E. 2565), which promulgated by the Federation of Accounting Professions (TFAC) in 2022. The adoption of the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Revised B.E. 2565) ('TFRS for NPAEs') does not impact materially the financial statements.

In addition, the Company has applied the following Thai Financial Reporting Standard for Publicly Accountable Entities (TFRS for PAEs).

TFRS	Topic
TAS 12	Income Taxes

The financial statements are prepared and presented in Thai Baht. Accounting policies disclosed in Note 3 are applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Use of going concern basis of accounting

For the year ended 31 March 2024, the Company incurred a net loss of Baht 66.00 million *(for the year ended 31 March 2023: net loss of Baht 69.00 million)* and, as of that date, the Company's current liabilities exceeded its current assets by Baht 197.03 million *(2023: Baht 141.30 million)* and the Company had deficit of Baht 469.33 million *(2023: Baht 403.32 million)* and capital deficiency as of that date of Baht 442.93 million *(2023: Baht 376.92 million)*. Such circumstances indicate the existence of an uncertainty which may cast doubt about the Company's ability to continue as a going concern.

However, the financial statements have been prepared assuming the Company will continue on a going concern basis because the immediate parent company has provided a formal undertaking to provide financial support to enable the Company to continue its operations and to meet its liabilities as they fall due for at least 12 months from the reporting date. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the classification of the recorded liabilities amounts that might be necessary should the Company be unable to continue its operations as a going concern.

3 Significant accounting policies

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

(a) Foreign currency

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to Thai Baht at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, are translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the statement of income.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits.

(c) Trade and other receivables

Trade and other receivables measured at invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred. Bad debts recovered are recognised in other income in the statement of income.

(d) Investment

Investment in subsidiaries

Investment in subsidiaries are measured at cost less loss on decline in value.

(e) Leasehold improvements and equipment

Leasehold improvements and equipment are measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of leasehold improvements and equipment are recognised in the statement of income.

Leased assets

Assets which the Company leases and substantially assumes all the risk and rewards of ownership are classified as finance leases and recognised as leasehold improvements and equipment at the lower of its fair value and the present value of the minimum lease payments, plus initial direct costs, less accumulated depreciation and losses on decline in value. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

Subsequent costs

The cost of replacing a part of an item of leasehold improvements and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of leasehold improvements and equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of each component of an asset and recognised in the statement of income. The estimated useful lives are as follows:

Leasehold improvements	10	years
Furniture, fixtures and office equipment	3 and 5	years
Vehicles	5	years

(f) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and loss on decline in value.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in the statements of income. The estimated useful lives are as follow:

Computer software	3	years

(g) Losses on decline in value

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised if the carrying amount of an asset exceeds its recoverable amount. The loss on decline in value is recognised in the statement of income.

(h) Interest-bearing liabilities

Interest-bearing liabilities are measured initially at fair value less attributable transaction charges and subsequently at amortised cost. Differences between cost and redemption value is amortised using the effective interest rate method over the term of the borrowings.

(i) Trade and other payables

Trade and other payables are stated at cost.

(j) Provisions

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

Provision for retirement benefits

Provision for retired benefits are recognised using the best estimate method at the reporting date. The Company derecognises the provision when actual payment is made.

(k) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and rendering of services

Revenue from sale of ticket is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from tour operating is recognised as services are provided.

Interest income

Interest income is recognised as it accrues.

(l) Operating leases

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

(m) Finance costs

Interest expenses and similar costs are recognised on accrued basis. The interest component of finance lease payments is recognised using the effective interest rate method.

(n) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in the statement of income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Trade and other receivables

	2024	2023
	(in thousand Baht)	
Trade and other receivables	235,063	150,496
Less allowance for doubtful accounts	(498)	(498)
Net	**234,565**	**149,999**
Doubtful debts written-off	-	5,587
Bad debts (bad debts recovered)	(59)	4,109

5 Investment in subsidiaries

	2024	2023
	(in thousand Baht)	
Investment in subsidiaries, at cost-net	**6,000**	**6,000**

Investment in subsidiaries as at 31 March 2024 and 2023, was as follow:

Subsidiaries	Type of Business	Ownership interest		Paid-up capital		Cost		Allowance for losses on decline in value		At cost - net	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
		(%)						*(in thousand Baht)*			
Chang Som Co., Ltd.	Rendering of transportation services	99.99	99.99	6,000	6,000	6,000	6,000	-	-	6,000	6,000
Thomas Cook In Destination Management (Thailand) Co., Ltd. (note)	Tour operating services	49.00	49.00	-	-	-	-	-	-	-	-
Total						**6,000**	**6,000**	-	-	**6,000**	**6,000**

Note: On 3 January 2020, Asian Trails Co., Ltd. invested in Thomas Cook In Destination Management (Thailand) Co., Ltd. for 117,600 shares at total cost of 40 Baht. The Company holds 49% shares in Thomas Cook In Destination Management (Thailand) Co., Ltd. but has power to control and made decisions on operations of such company. Therefore, the Company classified investment in such company as investment in subsidiary. During the year, Thomas Cook In Destination Management (Thailand) Co., Ltd. has entered into liquidation process.

6 Leasehold improvements and equipment

	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Total
		(in thousand Baht)		
Cost				
At 1 April 2022	7,607	25,729	16,090	49,426
Additions	-	3,197	-	3,197
At 31 March 2023 and 1 April 2023	**7,607**	**28,926**	**16,090**	**52,623**
Additions	7,206	3,609	-	10,815
Disposal	(7,607)	-	-	(7,607)
At 31 March 2024	**7,206**	**32,535**	**16,090**	**55,831**
Depreciation				
At 1 April 2022	7,337	25,276	15,545	48,158
Depreciation charge for the year	83	682	399	1,164
At 31 March 2023 and 1 April 2023	**7,420**	**25,958**	**15,944**	**49,322**
Depreciation charge for the year	695	1,404	110	2,209
Disposal	(7,397)	-	-	(7,397)
At 31 March 2024	**718**	**27,362**	**16,054**	**44,134**
Net book value				
At 31 March 2023				
Owned assets	187	2,968	1	3,156
Assets under finance leases	-	-	145	145
	187	**2,968**	**146**	**3,301**
At 31 March 2024				
Owned assets	6,488	5,173	1	11,662
Assets under finance leases	-	-	35	35
	6,488	**5,173**	**36**	**11,697**

7 Deferred tax

Deferred tax assets as at 31 March 2024 and 2023 were as follow:

	2024	2023
	(in thousand Baht)	
Deferred tax assets	**15,923**	**16,414**

Movements in deferred tax assets during the year ended 31 March 2024 and 2023 were as follows:

	At 1 April 2023	(Charged) / Credited to: Statement of income	At 31 March 2024
		(in thousand Baht)	
Deferred tax assets			
Accounts receivable	100	-	100
Provision for retirement benefits	4,801	(491)	4,310
Loss carry forward	11,513	-	11,513
Total	**16,414**	**(491)**	**15,923**

	At 1 April 2022	(Charged) / Credited to: Statement of income	At 31 March 2023
		(in thousand Baht)	
Deferred tax assets			
Accounts receivable	395	(295)	100
Provision for retirement benefits	3,909	892	4,801
Loss carry forward	11,513	-	11,513
Total	**15,817**	**597**	**16,414**

Deferred tax asset has not been recognised in respect of the following item:

	2024	2023
	(in thousand Baht)	
Tax losses	307,571	249,842
Total	**307,571**	**249,842**

8 Interest-bearing liabilities

	2024	2023
	(in thousand Baht)	
Current		
Bank overdrafts-secured	29,108	40,758
Unsecured short-term loan from immediate parent company	52,907	54,989
Unsecured short-terms loan from related parties	4,390	3,386
Total	**86,405**	**99,133**
Non-current		
Unsecured long-term loan from immediate parent company	254,683	233,014
Unsecured long-terms loan from related parties	-	6,358
Total	**254,683**	**239,372**
Total interest-bearing liabilities	**341,088**	**338,505**

As at 31 March 2024, the Company had overdrafts facilities with a financial institution in the amount of Baht 50 million *(2023: Baht 50 million)*, at the interest rate of MOR per annum. The overdraft facilities are secured by Thomas Cook (India) Limited, the ultimate parent company.

As at 31 March 2024, the Company had loan with immediate parent company in the amount USD 1.45 million and USD 6.98 million, respectively (equivalent to Baht 52.91 million and Baht 254.68 million, respectively) which bear interest at the rate of 8.48% - 8.86% per annum *(2023: USD 1.60 million and 6.78 million, respectively (equivalent to Baht 54.99 million and Baht 233.01 million, respectively) which bear interest at the rate of 6.98% - 8.48% per annum)*. The second loan will be repayable in June 2026.

As at 31 March 2024, the Company had loans with related parties in the total amount of USD 0.05 million (equivalent to Baht 1.99 million) and Baht 2.41 million which bear interest at the rate of 0.45% - 6.16% per annum *(2023: USD 0.05 million (equivalent to Baht 1.86 million) and Baht 7.86 million which bear interest at the rate of 0.45% - 6.13% per annum)*. This loan will be repayable in January 2025.

9 Provisions for retirement benefits

	Retirement benefits *(in thousand Baht)*
At 1 April 2022	19,546
Addition	5,270
Paid	(810)
At 31 March 2023 and 1 April 2023	**24,006**
Addition	3,525
Paid	(489)
At 31 March 2024	**27,042**

10 Commitments

(a) Office rental agreements

The Company entered into office rental agreements (including related services) for periods of 1 to 3 years. The Company committed to pay rental and service fees as follows:

	2024	2023
	(in thousand Baht)	
Non-cancellable operating lease commitments		
Within 1 year	2,617	3,550
After 1 year but within 5 years	2,289	4,446
Total	**4,906**	**7,996**

(b) Agent agreements for Tourism service with foreign companies

The Company entered into agreements with foreign companies to be a tourism services representative agent to such companies. As at 31 March 2024, the Company received deposits as said services in total of Baht 6.17 million *(2023: Baht 6.19 million)*. Under the terms of the agreements, the Company had commitments with the terms and conditions as stipulated in the agreements.

(c) Other commitment

	2024	2023
	(in thousand Baht)	
Other commitment		
Bank guarantees	**700**	**700**

Commitment for bank guarantees issued by a local bank under the requirement of International Air Transport Association which it was guaranteed by the Company's deposits with such bank and presented under "restricted deposits at financial institution" in the statements of financial position.

11 Reclassification

Certain accounts in the 2023 financial statements have been reclassified to conform to the presentation in the 2024 financial statements as follows:

	Before reclassification	Reclassification	After reclassification
		(in thousand Baht)	
Statement of financial position			
As at 31 March 2023			
Unsecured short-term loan from immediate parent company	288,003	(233,014)	54,989
Unsecured short-term loan from related parties	9,744	(6,358)	3,386
Unsecured long-term loan from immediate parent company	-	233,014	233,014
Unsecured long-term loan from related parties	-	6,358	6,358
Total		-	

12 Other information

The Company opened bank accounts on behalf of a related party in Myanmar for 2 current accounts and 4 saving accounts. As at 31 March 2024, the balance of 2 current accounts were in the amount of Baht 114,811.56 *(2023: Baht 448,522.98)* and balances of 4 saving accounts were in the amount of USD 30,177.51 and Baht 1,285.62, respectively *(2023: USD 19,213.22 and Baht 50,967.37, respectively)*. These 6 accounts were not included in the Company's accounting records for the year ended 31 March 2024 and 2023.

VC ADVISE
BANCHEE
AUDIT & ACCOUNTING

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
CHANG SOM COMPANY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of **Chang Som Company Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chang Som Company Limited (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of income, and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Chang Som Company Limited as at December 31, 2023, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Varinpatt Leerasuntornrangsri
Certified Public Accountant
Registration No. 11692
April 12, 2024
VC Advise Banchee Co., Ltd
Bangpakok, Ratchaburana, Bangkok,
Thailand

CHANG SOM COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Notes	2023 Baht	2022 Baht
ASSET			
Current assets			
Cash and cash equivalents	5	861,095.09	250,810.13
Trade and other receivables	6,7	10,291,096.38	4,803,885.89
Long-term loan - due within 1 year	6	2,267,833.27	7,720,833.31
Other current assets		40,526.66	152,911.69
Total current assets		13,460,551.40	12,928,441.02
Non-current assets			
Equipments-net	8	3.00	6.00
Other non-current assets		1,853.56	1,853.56
Total non-current assets		1,856.56	1,859.56
Total assets		13,462,407.96	12,930,300.58

Signed .... Director

(Mr.Lersan Misitsakul)

The accompanying notes are an integral part of the financial statements.

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

CHANG SOM COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	Notes	2023 Baht	2022 Baht
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current Liabilities			
Trade and other payables	6, 9	4,598,398.05	4,681,245.89
Total current liabilities		4,598,398.05	4,681,245.89
Non-current Liabilities			
Employee benefit obligations	10	211,319.99	288,271.32
Total non-current liabilities		211,319.99	288,271.32
Total Liabilities		4,809,718.04	4,969,517.21
Shareholders' Equity			
Share capital			
Authorized share capital			
Ordinary shares 60,000 shares, Baht 100 par value		6,000,000.00	6,000,000.00
Paid-up share capital			
Ordinary shares 60,000 shares, Baht 100 par value		6,000,000.00	6,000,000.00
Retained earnings			
Appropriated			
Legal reserve	11	506,098.28	506,098.28
Unappropriated		2,146,591.64	1,454,685.09
Total Shareholders' Equity		8,652,689.92	7,960,783.37
Total Liabilities and Shareholders' Equity		13,462,407.96	12,930,300.58

These Financial statement are authorized by the Company's Shareholder meeting no. 1/2024 On April 30, 2024

Signed .... Director

(Mr.Lersan Misitsakul)

The accompanying notes are an integral part of the financial statements.

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

CHANG SOM COMPANY LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	2023 Baht	2022 Baht
Revenue from services	6	21,550,996.00	8,295,784.11
Cost of services		(19,425,763.00)	(7,466,226.70)
Gross profit		2,125,233.00	829,557.41
Other income	6	23,075.94	49,140.56
Profit before expenses		2,148,308.94	878,697.97
Administrative expenses	6	(1,244,523.08)	(875,205.21)
Profit before income tax		903,785.86	3,492.76
Income tax		(211,879.31)	-
Net profit for the year		691,906.55	3,492.76

Signed .... Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

The accompanying notes are an integral part of the financial statements.

CHANG SOM COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

	Paid-up	Retained earnings		
	share capital	Appropriated	Unappropriated	Total
Balance as at January 1, 2022	6,000,000.00	506,098.28	1,451,192.33	7,957,290.61
Net loss for the year 2022	-	-	3,492.76	3,492.76
Balance as at December 1, 2022	6,000,000.00	506,098.28	1,454,685.09	7,960,783.37
Net loss for the year 2023	-	-	691,906.55	691,906.55
Balance as at December 1, 2023	6,000,000.00	506,098.28	2,146,591.64	8,652,689.92

Signed .... Director

(Mr.Lersan Misitsakul)

The accompanying notes are an integral part of the financial statements.

CHANG SOM COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

Chang Som Company Limited ("the Company") is incorporated under the law of Thailand on August 23, 2002. Registered Number 0105545087655. The principal business operation of the Company is to provide transportation services which excemption from the value added tax law 81(1). The address of its registered office is located on 9th floor, the Regent House Building, 161/1 Ratchadamri Road, Lumphini. Patumwan, Bangkok 10330

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the Thai Financial Reporting Standards for Non-publicly Accountable Entities as issued by the Federation of Accounting Professions.

The financial statements have been prepared under the historical cost convention.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3. NEW FINANCIAL REPORTING STANDARDS

During 2022, the Federation of Accounting Professions issued Thai Financial Reporting Standards for Non-Publicly Accountable Entities (revised 2022), which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards are revised to be more complete, provide additional accounting options and be suitable for implementation in Thailand's business environment.

The management of the Company has considered not applying the accounting options according to these new Financial Reporting Standards, therefore, there will be no impact on the Company's financial statements.

Signed .... Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash comprise cash on hand, deposit held at call with banks but exclude deposits with banks which are held to maturity, certificates of deposit issued by commercial banks and financial institutions, and restricted deposits. Cash equivalent comprise short-term highly liquid investments with maturities of three months or less from the date of acquisition.

4.2 Trade and other accounts receivable

Trade accounts receivable are initially recognised at the fair value of the consideration received or receivable and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the income statement.

4.3 Equipments

An item of building improvements and equipment is stated at cost less any accumulated depreciation and any accumulated allowance for impairment (if any).

Depreciation is calculated on the straight line basis to their costs over the estimated useful life of equipment is 5 years. Depreciation expenses record as administrative expenses.

The assets' residual value, useful lives, and depreciation method are regularly reviewed.

Signed .... Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

4.4 Borrowings

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date or it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. If the borrowings do not meet the criteria as aforementioned, the borrowings are classified as non-current liabilities.

4.5 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

4.6 Employee benefit obligations

An entity has an obligation under labour law in benefit payable under the plan for employees until retirement date. The maximum amount of obligation shall not exceed the amount of final salary payable for 13.33 months (400 days). The employees will receive the payment amount at retirement date. An entity estimated a provision at the end of reporting period, which calculation is based on current salary reflected by the employee turnover and the proportion of working
period of employees and working period until retirement.

4.7 Income tax

Income tax paid to the authorities will be recognised as expenses in statement of income. The Company recognises income taxes payable netting off withholding taxes in liabilities.

4.8 Revenue

Service income is recognized as services provided.

Other revenues earned by the Company are recognised on the following basis:

- interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company

Signed .... Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

4.9 Expense

Payments made under operating leases are recognized in the statement of income on a straight- line basis over the term of the lease.

Expense is recognized in the statement of income as it accrues.

4.10 Foreign currency transactions

Items included in the financial statements of the Company are measured using Thai Baht. The financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, foreign currency monetary balances are translated by using the exchange rate at the closing rate. Monetary assets denominated in foreign currency are translated to Thai Baht by using a bank' s buying rate and monetary liabilities denominated in foreign currency are translated to Thai Baht by using a bank' s selling rate. Non-monetary balances denominated in a foreign currency are carried at cost using the exchange rate at the date of transaction.

Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Signed .... Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

5. CASH AND CASH EQUIVALENTS

	2023 Baht	2022 Baht
Cash	2,368.25	22,095.00
Cash at banks	858,726.84	228,715.13
Total Cash and cash equivalents	861,095.09	250,810.13

6. RELATED PARTY TRANSACTIONS

The Company had business transactions with its related company which are related by shareholding or directorship. These transactions were concluded on the terms and basis stated in the relevant agreement, or as agreed by the Company.

The Company had significant business transactions with its related company for the year ended December 31, 2022 and 2023, and outstanding balance with its related company as summarized below:

	2023 Baht	2022 Baht
Statements of financial position		
Asian Trails Ltd.		
Trade receivables	8,096,551.94	1,137,669.54
Accrued incomes	2,020,544.44	3,523,949.96
Long-term loans - Due within 1 year	2,267,833.27	7,720,833.31
Other payables	(2,575,198.49)	(2,346,072.24)
Advance incomes	(75,433.04)	(98,100.00)

Signed .... Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

Statements of income

Asian Trails Ltd.		
Revenue from rendering of services (Cost of service plus certain	21,550,996.00	8,295,784.11
Interest income	22,666.96	49,050.00
Rental expenses	92,700.00	78,750.00

The movements of long-term loan to related party were as follows;

	2023 Baht	2022 Baht
Asian Trails Ltd.		
Balance as at January 1,	7,720,833.31	-
Addition	-	10,900,000.00
Repayment	(5,453,000.04)	(3,179,166.69)
Balance as at December 31,	2,267,833.27	7,720,833.31

As at January 1, 2022, the Company entered into a loan agreement with a related party, the Company adjusts trade accounts receivable - related party amounted of Baht 10.90 million to loan to related party. Such loan agreement determine payment within 3 years, interest rate of 0.45% per annum.

7. TRADE AND OTHER RECEIVABLES

	2023 Baht	2022 Baht
Trade receivables		
Trade receivables-related party	8,096,551.94	1,137,669.54
Accrued incomes-related party	2,020,544.44	3,523,949.96
Other receivables	174,000.00	142,266.39
Total trade and other receivables	10,291,096.38	4,803,885.89

Signed .... Director
(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

CHANG SOM COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

8. EQUIPMENTS - NET

	Equipment Baht
Cost	
At January 1, 2022	27,772.06
Additions	-
Disposal/Write off - net	-
At December 31, 2022	27,772.06
Additions	-
Disposal/Write off - net	(9,880.00)
At December 31, 2023	17,892.06
Accumulated Depreciation	
At January 1, 2022	(27,766.06)
Additions	-
Disposal/Write off - net	-
At December 31, 2022	(27,766.06)
Additions	-
Disposal/Write off - net	9,877.00
At December 31, 2023	(17,889.06)
Net book Amount	
As at December 31, 2022	6.00
As at December 31, 2023	3.00

As at December 31, 2023 and 2022, equipment items have been fully depreciated buf are still in use.

Signed ....LM.. Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD

9. TRADE AND OTHER PAYABLES

	2023 Baht	2022 Baht
Trade payables	1,830,578.05	2,017,288.13
Other payables-related party	2,575,198.49	2,346,072.24
Advance incomes	75,433.04	98,100.00
Accrued expenses	86,680.45	207,233.03
Withholding tax payable	30,508.02	12,552.49
Total trade and other payables	4,598,398.05	4,681,245.89

10. EMPLOYEE BENEFITS OBLIGATIONS

	2023 Baht	2022 Baht
Employee benefits obligation as at January 1	288,271.32	278,635.26
Increase(Decrease) during the year	(76,951.33)	9,636.06
Total	211,319.99	288,271.32

11. LEGAL RESERVE

Under the provision of the Civil Commercial Code, the Company is required to set aside as legal reserve at least 5% of net income at each dividend distribution until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

12. COMMITMENT

As at December 31, 2023 and 2022, the Company has office rental agreement for its office space with a related company. The Company is committed to pay rental amount of Baht 8,400 per month and Baht 7,500 per month respectively.

Signed .... Director

(Mr.Lersan Misitsakul)

บริษัท ช้างส้ม จำกัด
CHANG SOM LTD.

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in Singapore. Registration Number: 201940406M)

FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

ASIAN TRAILS SINGAPORE PTE. LTD.
(Incorporated in Singapore)

FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 December 2023

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 December 2023.

In the opinion of the directors,

(a) the financial statements as set out on pages 8 to 41 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Misitsakul Lersan
Laurent Kunzle
Lim Geok Thye
Emir Cherif
Sebastian Alex Mendonca

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act 1967 (the Act), the following interest in shares of the Company or its related corporations.

	Holdings in which a director is deemed to have an interest	
	At 31.12.2023	At 1.1.2023
Immediate holding company		
- Asian Trails Holding Ltd.		
(No. of ordinary shares)		
Laurent Kunzle	**12,500**	12,500
Misitsakul Lersan	**12,500**	12,500

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, LCC PARTNERSHIP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

EMIR CHERIF
Director

3 1 MAY 2024

LAURENT KUNZLE
Director

3 1 MAY 2024

LCC PARTNERSHIP
chartered accountants
(Reg. No.: T04PF0810G)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAN TRAILS SINGAPORE PTE. LTD.
For the financial year ended 31 December 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ASIAN TRAILS SINGAPORE PTE. LTD. (the Company), which comprise the balance sheet as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the financial year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 17 February 2023.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ASIAN TRAILS SINGAPORE PTE. LTD. (continued)
For the financial year ended 31 December 2023

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 3.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ASIAN TRAILS SINGAPORE PTE. LTD. (continued)
For the financial year ended 31 December 2023

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

LCC PARTNERSHIP
chartered accountants
(Reg. No.: T04PF0810G)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAN TRAILS SINGAPORE PTE. LTD. (continued)
For the financial year ended 31 December 2023

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

LCC PARTNERSHIP
Public Accountants and
Chartered Accountants
Singapore, 31 MAY 2024

ASIAN TRAILS SINGAPORE PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	**2023**	2022
		$	$
Revenue	4	**7,303,004**	2,891,831
Cost of sales	5	**(6,395,361)**	(2,519,184)
Gross profit		**907,643**	372,647
Other income	7	**73,687**	7,371
Selling and distribution expenses		**(50,463)**	(37,594)
Expenses			
- Administrative	5	**(834,579)**	(254,115)
- Finance	9	**(25,784)**	(15,776)
Profit before income tax		**70,504**	72,533
Income tax expense	9	**(715)**	-
Profit after income tax		**69,789**	72,533
Other comprehensive income:			
Other comprehensive income, net of tax		**-**	-
Total comprehensive income		**69,789**	72,533

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

ASIAN TRAILS SINGAPORE PTE. LTD.

BALANCE SHEET
As at 31 December 2023

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash and bank deposits	10	**149,983**	247,803
Trade and other receivables	11	**812,970**	1,226,102
Contract assets	4(b)	**-**	163,630
		962,953	1,637,535
Non-current assets			
Property, plant and equipment	12	**3,146**	3,014
Total assets		**966,099**	1,640,549
LIABILITIES			
Current liabilities			
Trade and other payables	13	**648,175**	477,761
Contract liabilities	4(b)	**163,914**	714,282
Current income tax liabilities	9	**715**	-
		812,804	1,192,043
Non-current liabilities			
Loans from immediate holding company	14	**-**	365,000
Total liabilities		**812,804**	1,557,043
NET ASSETS		**153,295**	83,506
EQUITY			
Share capital	15	**190,000**	190,000
Accumulated losses		**(36,705)**	(106,494)
Total equity		**153,295**	83,506

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

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 *December 2023*

	Share capital $	Accumulated losses $	Total equity $
2023			
Beginning of the financial year	190,000	(106,494)	83,506
Profit for the financial year	-	69,789	69,789
Other comprehensive income for the financial year	-	-	-
Total comprehensive income	-	69,789	69,789
End of the financial year	**190,000**	**(36,705)**	**153,295**
2022			
Beginning of the financial year	100,000	(179,027)	(79,027)
Issuance of preferences share capital	90,000	-	90,000
Profit for the financial year	-	72,533	72,533
Other comprehensive income for the financial year	-	-	-
Total comprehensive income	-	72,533	162,533
End of the financial year	190,000	(106,494)	83,506

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

	2023 $	2022 $
Cash flows from operating activities		
Profit after tax	**69,789**	72,533
Adjustments for:		
- Depreciation of property, plant and equipment	**1,393**	573
- Interest expense	**25,784**	15,776
- Income tax	**715**	-
	97,681	88,882
Changes in working capital:		
- Contract assets	**163,630**	(163,630)
- Trade and other receivables	**413,132**	(1,188,915)
- Contract liabilities	**(550,368)**	676,567
- Trade and other payables	**170,414**	460,785
Net cash provided by/(used in) operating activities	**294,489**	(126,311)
Cash flows from investing activities		
Additions to property, plant and equipment	**(1,525)**	(3,587)
Net cash used in investing activities	**(1,525)**	(3,587)
Cash flows from financing activities		
Interest paid	**(25,784)**	(15,776)
Loan from immediate holding company	**(365,000)**	270,000
Proceeds from issuance of preferences shares	**-**	90,000
Net cash (used in)/provided by financing activities	**(390,784)**	344,224
Net (decrease)/increase in cash and cash equivalents	**(97,820)**	214,326
Cash and cash equivalents		
Beginning of financial year	**247,803**	33,477
Cash and cash equivalents at end of financial year	**149,983**	247,803

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 105 Cecil Street, #22-00 The Octagon, Singapore 069534.

The principal activities of the Company are those of travel agencies and tour operators.

The Company's immediate holding company is Asian Trails Holding Ltd., incorporated in Mauritius and the ultimate holding company is Fairfax Financial Holdings Ltd, a listed company, incorporated in Ontario, Canada.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2. Material accounting policy information (continued)

2.2 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Travel and related services

Travel and related services comprise of leisure tours/holiday's packages which are recognised at a point in time on the completion of the performance obligation. The completion of the performance obligation is based on the date of departure of the tour.

(b) Interest income

Interest income is recognised using the effective interest method.

2.3 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2. Material accounting policy information (continued)

2.4 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as The Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.5 Leases

When the Company is the lessee

- Short-term and low-value leases

  The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2. Material accounting policy information (continued)

2.7 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured using the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. Material accounting policy information (continued)

2.8 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computer	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2. Material accounting policy information (continued)

2.9 Impairment of non-financial assets

Property, plant and equipment

Property, plant and equipment and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2. Material accounting policy information (continued)

2.10 Financial assets

The Company classifies its financial assets into the following measurement categories:

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

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. Material accounting policy information (continued)

2.10 Financial assets (continued)

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and bank deposits and trade receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivables, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.11 Contract assets and liabilities

Contract assets primarily relate to the Company's rights to consideration for services rendered but not billed at the reporting date. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

Contract liabilities primarily relate to:
- advance consideration received from customers; and
- billings issued in excess of the Company's rights to the consideration

2. Material accounting policy information (continued)

2.12 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) At subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(iii) Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Material accounting policy information (continued)

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Provisions

Provisions, if any, are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2. Material accounting policy information (continued)

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.16 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are translated into functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'finance cost'. All other foreign exchange gains and losses impacting profit or loss are presented within 'other gains/losses'.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2. Material accounting policy information (continued)

2.18 Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to reporting entity if that person:

   (i) has control or joint control over the reporting entity;
   (ii) has significant influence over the reporting entity; or
   (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following condition applies:

   (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
   (vi) The entity is controlled or jointly controlled by a person identified in (a).
   (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The following are not necessarily related parties:

(a) Two entities simply because they have a director or other member of key management personnel in common;
(b) Two venturers simply because they share joint control over a joint venture.

Key management personnel are those persons having the authority and responsibility of planning, directing and controlling the activities of the Company.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements 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.

3.1 Expected credit losses (ECL) on trade receivables

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward-looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL of trade receivables, the Company has used one year of historical losses data to determine the loss rate and applied an adjustment against the historical loss rate based on the change in Gross Domestic Product (GDP) and unemployment rate to reflect the current and forward-looking information. Should ECL be calculated based on historical loss, the ECL on trade receivables would have been higher by $Nil.

As at the date of balance sheet, the ECLs for trade receivables are $Nil.

3.2 Critical judgement in applying the entity's accounting policies

Management is of the opinion that ay instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contract with customers

	2023	2022
	$	$
Revenue from:		
- Rendering of group tour, transport and hotel service	**7,303,004**	2,891,831

All the sales are recognised at a point in time.

(b) Contract assets and liabilities

	2023	2022
	$	$
Contract assets		
- Account receivable for unissued invoices	**-**	163,630
Contract liabilities		
- Advance payments from customers	**163,914**	714,282

The change in contract assets balances is mainly due to decrease in account receivable for unissued invoices for events to be held after the balance sheet date.

The change in contract liabilities balances is mainly due to decrease in advance payments from customers for events to be held after the balance sheet date.

(i) Revenue recognised in relation to contract liabilities

	2023	2022
	$	$
Revenue recognised in current period that was included in the contract liabilities balances at the beginning of period	**714,282**	37,715

The contract liabilities relate to consideration received from customers for the unsatisfied performance obligation in providing goods or services in the next financial year. Revenue will be recognised when the goods or services are provided to the customers.

4. **Revenue from contracts with customers** (continued)

(b) Contract liabilities (continued)

(ii) Unsatisfied performance obligations

	2023	2022
	$	$
Aggregated amount of transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December	**163,914**	714,282

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 December 2023 and 2022 may be recognised as revenue in the next reporting period as follows:

	2023	2024	Total
	$	$	$
Partially and fully unsatisfied performance obligations as at:			
31 December 2023	**-**	**163,914**	**163,914**
31 December 2022	714,282	-	714,282

(c) Trade receivables from contracts with customers

	31 December		1 January
	2023	**2022**	2022
	$	**$**	$
Current assets			
Trade receivables from contracts with customers	**503,521**	**525,278**	3,097
Less: Loss allowances	**-**	**-**	-
	503,521	**525,278**	3,097

5. Expenses by nature

	2023	2022
	$	$
Purchases	**6,395,361**	2,519,184
Accommodation	**270**	892
Bad debt	**101**	-
Commission on credit card	**-**	7
Commission on sales	**34,719**	21,850
Customer compensation	**2,335**	-
Other marketing and advertising expenses	**11,222**	8,963
Trade show expenses	**3,355**	682
Travelling and entertainment	**897**	5,200
Audit fee	**15,000**	10,000
Bank charges	**8,135**	2,651
Depreciation of plant and equipment	**1,394**	573
Director's remuneration - Salaries and bonuses	**120,000**	120,000
Employee compensation (Note 6)	**109,935**	47,234
General expenses	**714**	300
Insurance	**(200)**	601
Intercompany recharge	**420,970**	31,709
internet	**60**	50
Licence fees	**1,326**	-
Loss on exchange	**5,177**	20,208
Management fees	**108,113**	-
Membership fees	**-**	119
Network	**714**	600
Office expense	**-**	80
Professional and legal fees	**8,255**	5,831
Postage and courier	**-**	44
Printing and stationery	**190**	273
Rental expenses (short-term leases)	**15,423**	10,788
Software maintenance	**(7)**	1,671
Skills development levy	**177**	(57)
Staff training costs	**650**	40
Staff visa and permit	**-**	225
Telecommunication expenses	**4,911**	1,093
Others	**11,206**	82
Total cost of sales and administrative expenses	**7,280,403**	2,810,893

6. Employee compensation

	2023	2022
	$	$
Wages and salaries	**97,597**	41,715
Employer's contribution to defined contribution plans	**12,338**	5,519
	109,935	47,234

7. Other income

	2023	2022
	$	$
Government grants		
- Job growth incentive	**-**	2,800
Brochures	**3,519**	2,591
Commission income	**70,168**	1,980
	73,687	7,371

8. Finance costs

	2023	2022
	$	$
Interest expense		
- loans from immediate holding company	**25,784**	15,776

9. Income taxes

Income tax expense

	2023	2022
	$	$
Tax expense attributable to loss is made up of:		
- Current income tax	**715**	-

9. Income taxes (continued)

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2023	2022
	$	$
Profit before tax	**70,504**	72,533
Tax calculated at tax rate of 17% (2022: 17%)	**11,986**	12,331
Effects of:		
- expenses not deductible for tax purposes	**237**	565
- deferred tax assets not recognised due to uncertainty of future taxable profits	**(11,508)**	(12,896)
Tax charge	**715**	-

If an entity has unrecognised tax losses and deductible temporary differences, a suggested disclosure is as follows:

Deferred income tax assets are recognised for tax losses and deductible temporary differences carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company has unrecognised tax losses of $NIL (2022: $72,000) and deductible temporary differences of $11,508 (2022: $12,240) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and deductible temporary differences have no expiry date.

10. Cash and bank deposits

	2023	2022
	$	$
Cash at bank and on hand	**149,983**	247,803

11. Trade and other receivables

	2023	2022
	$	$
Trade receivables		
- Related parties	**126,108**	417,242
- Third parties	**377,413**	108,036
Other receivables		
- Related parties	**-**	116,514
- Third parties	**110,776**	113,344
Advance to supplier	**176,802**	356,476
Deposits	**5,591**	5,697
Prepayments	**16,280**	108,793
	812,970	1,226,102

12. Property, plant and equipment

	Computer	Total
	$	$
2023		
Cost		
Beginning of financial year	3,587	3,587
Additions	1,525	1,525
End of financial year	5,112	5,112
Accumulated depreciation		
Beginning of financial year	573	573
Depreciation charge	1,393	1,393
End of financial year	1,966	1,966
Net book value		
End of financial year	3,146	3,146

12. Property, plant and equipment (continued)

	Computer	Total
	$	$
2022		
Cost		
Beginning of financial year	-	-
Additions	3,587	3,587
End of financial year	3,587	3,587
Accumulated depreciation		
Beginning of financial year	-	-
Depreciation charge	573	573
End of financial year	573	573
Net book value		
End of financial year	3,014	3,014

13. Trade and other payables

	2023	2022
	$	$
Trade payables		
- Related parties	**49,218**	42,486
- Third parties	**79,748**	10,507
Other payables		
- Immediate holding company	**-**	8,340
- Related parties	**-**	64,230
- Third parties	**1,089**	524
Accruals	**515,873**	307,943
GST payables	**2,247**	43,731
	648,175	477,761

14. Loans from immediate holding company

	2023	2022
	$	$
Term loans	-	365,000

Per loan agreement dated 19th October 2022, the total loans to the Company have been increased to S$365,000 as at 31st December 2022. The loans have a tenure of 3 years with effect from 19th October 2022. In the prior year, the loans of S$95,000 have a tenure of 3 years effective from 23rd December 2021.

The loans from immediate holding company are unsecured, non-trade in nature and bear interest at rates ranging from 5.68% to 7.90% (2022: 5.68% to 6.35%) per annum.

The loan has been fully paid as at 31 December 2023.

Reconciliation of liabilities arising from financing activities

				Non-cash changes	
	1 January 2023	Proceeds from borrowings	Principal and interest payments	Interest expense	31 December 2023
	$	$	$	$	$
Loans from immediate holding company	365,000	-	(390,784)	25,784	-

				Non-cash changes	
	1 January 2022	Proceeds from borrowings	Principal and interest payments	Interest expense	31 December 2022
	$	$	$	$	$
Loans from immediate holding company	95,000	270,000	(15,776)	15,776	365,000

15. Share capital

	Number of shares		Amounts	
	2023	2022	**2023**	2022
			$	$
Issued and fully paid:-				
Ordinary Shares				
Balance at beginning and end of year	**100,000**	100,000	**100,000**	100,000
Preferences shares				
Balance at beginning of year	**90,000**	-	**90,000**	-
Preferences shares issued	**-**	90,000	**-**	90,000
Balance at end of year	**90,000**	90,000	**90,000**	90,000
Total	**190,000**	190,000	**190,000**	190,000

Ordinary Shares
The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally with regard to the Company's residual assets. There is no par value for these ordinary shares.

Preference Shares
Pursuant to the approval of shareholder at an Extraordinary General Meeting of the Company held on 10th June 2022, the Company issued 90,000 Optionally Convertible Redeemable Preference Shares ("OCRPS") of S$1 each for cash at par amounting to S$90,000 to its immediate holding company, Asian Trails Holding Ltd.

Terms and rights attached to preference shares
Each convertible preference share has a par value of S$1 and is convertible at the option of the Company into Equity shares at any time within the period of 20 years from the date of allotment. Redemption can be done in part or full ahead of the total tenure. The Preference Shares shall rank for dividend in priority to the equity shares for the time being of the Company. The Preference Shares shall in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets or surplus fund. The OCRPS shall not have voting rights at any general meeting of the Company.

16. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest risk), credit risk and liquidity risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Market risk

(i) Currency risk

The Company's business is exposed to currency risk arising from various currency exposures primarily with respect to Malaysia Ringgit ("MYR"), United States Dollar ("USD") and European Dollar ("EUR").

The Company presently does not have a specific policy to hedge its foreign currency exposure and has not used any financial instruments to manage its foreign currency risk. Those exposures are managed using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

The Company's currency exposure to the MYR, USD and EUR is as follows:

	MYR	USD	EUR
	SGD	SGD	SGD
At 31 December 2023			
Financial assets			
Trade and other receivables	-	145,281	1,030
Cash and bank deposits	229	48,517	4,459
	229	193,798	5,489
Financial liabilities			
Trade and other payables	7,221	49,218	-
	7,221	49,218	-
Currency exposure	(6,992)	144,580	5,489

16. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	MYR SGD	USD SGD	EUR SGD
At 31 December 2022			
Financial assets			
Trade and other receivables	-	120,726	72,994
Cash and bank deposits	1,378	60,172	-
	1,378	180,898	72,994
Financial liabilities			
Trade and other payables	44,229	71,425	-
	44,229	71,425	-
Currency exposure	(42,851)	109,473	72,994

At 31 December 2023, if MYR, USD and EUR had strengthened or weakened by 2.60%, 2.37% and 1.15% (31.12.2022: 3%, 3% and 3%) respectively against the SGD with all other variables being held constant, the effects arising from the net financial assets/liability position will be as follows:

	2023	2022
	← Increase/(decrease) →	
	Profit after tax **SGD**	Loss after tax SGD
MYR against SGD		
- strengthened	**182**	1,286
- weakened	**(182)**	(1,286)
USD against SGD		
- strengthened	**(3,427)**	(3,284)
- weakened	**3,427**	3,284
EUR against SGD		
- strengthened	**(63)**	(2,190)
- weakened	**63**	2,190

16. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

The Company has insignificant exposure to equity price risk.

(iii) Interest rate risk

The Company has insignificant financial assets or liabilities that are exposed to interest rate risks.

The Company's interest rate risk mainly arises from lease liabilities which is a fixed rate borrowing.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, resulting in financial loss to the Company.

(i) Risk management

The Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties which have high credit-ratings as determined by the independent rating agencies.

For customers, the Company has policies in place to ensure that sales are made to customers through channels with appropriate credit histories and to limit the amount of credit exposure to credit card companies. Sales to customers are required to be settled in cash or using electronic payment means, mitigating credit risk.

There is no significant concentration of credit risk, whether through exposure to individual customers and/or specific industry sectors.

16. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Credit rating

The Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Borrower or issuer has a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses (Stage 1)
Under-performing	Borrower or issuer for which there is a significant increase in credit risk; significant increase in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime expected credit losses (Stage 2)
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses (Stage 3)
Write-off	Interest and/or principal repayments are greater than 1 year past due and there is no reasonable expectation of recovery	Asset is written off

16. Financial risk management (continued)

(b) Credit risk (continued)

(iii) Impairment of financial assets

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables from customers.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company will assess whether a receivable needs to written off when a debtor fails to make contractual payment greater than 1 year past due based on historical collection trend. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The management has assessed that the effect of applying simplified approach to measure the lifetime expected credit losses as at 31 December 2023 is insignificant to the Company.

(iv) Cash and cash equivalents

The Company held cash and cash equivalents of $149,983 (2022: $247,803) with banks which have high credit rating as determined by independent rating agencies and consider to have low credit risk. The cash balances are measured on 12-months expected credit losses and subject to immaterial credit loss.

16. **Financial risk management** (continued)

(c) Liquidity risk

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying amount $	Contractual cash flows $	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $
At 31 December 2023					
Trade and other payables	**645,928**	**645,928**	**645,928**	-	-
Loans from immediate holding company	-	-	-	-	-
At 31 December 2022					
Trade and other payables	434,030	434,000	434,000	-	-
Loans from immediate holding company	365,000	438,356	26,121	412,235	-

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Board of Director's monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

	2023 **$**	2022 $
Net debt	**498,192**	594,958
Total equity	**153,295**	83,506
Total capital	**651,487**	678,464

The Company is not subject to any externally imposed capital requirements.

16. Financial risk management (continued)

(e) Fair value measurements

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values.

(f) Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities, at amortised cost are as follows:

	2023	2022
	$	$
Financial assets, at amortised cost		
- Cash and cash equivalents	**149,983**	247,803
- Trade and other receivables	**619,888**	760,833
Total financial assets, at amortised cost	**769,871**	1,008,636
Financial liabilities, at amortised cost		
- Trade and other payables	**645,928**	434,030
- Loans from immediate holding company	**-**	365,000
Total financial liabilities, at amortised cost	**645,928**	799,030

17. Immediate holding company and ultimate controlling party

The Company's immediate holding company is Asian Trails Holding Ltd., incorporated in Mauritius and the ultimate holding company is Fairfax Financial Holdings Ltd, a listed company, incorporated in Ontario, Canada.

18. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at the prevailing market terms:

(a) Significant related party transactions

	2023	2022
	$	$
Sales of travel and related services	**2,725,797**	1,350,240
Purchases of travel and related services	**738,167**	82,536
Intercompany recharge	**326,578**	31,709
Commission expense	**-**	19,650
Loan interest expense immediate holding company	**25,784**	15,776
Management fee charges by related party	**326,423**	-

(b) Key management personnel compensation

	2023	2022
Director's remuneration	**120,000**	120,000

19. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of ASIAN TRAILS SINGAPORE PTE. LTD. on 31 MAY 2024

Reem Tours & Travels LLC

Financial Statements (Management)

31 December 2023

Reem Tours & Travels LLC

Statement of financial position

As at 31 December 2023

	31 December 2023 AED	31 December 2022 AED
Current assets		
Non-Interest Bearing Financial Assets	**-**	-
Due from Related Party – Desert Adventures	**608,868**	608,868
Total current assets	**608,868**	608,868
Total assets	**608,868**	608,868
Equity and liabilities		
Equity		
Share capital	**300,000**	300,000
Statutory reserve	**150,000**	150,000
Retained earnings	**158,868**	158,868
Total equity	**608,868**	608,868
Total equity and liabilities	**608,868**	608,868

Salim Sikander
Head of Finance

Peter Payet
CEO

Note: There is no Profit and Loss account from Jan 1, 2012 as the business of Reem Tours and Travels LLC has been integrated into Desert Adventures Tourism LLC.

The notes on page 2-4 are an integral part of these financial statements.

Reem Tours & Travels LLC

Notes
(forming part of the financial statements)

1 Reporting entity

Reem Tours & Travels LLC is a limited liability company registered with the Department of Economic Development, Government of Dubai.

The registered office of the Reem Tours & Travels LLC is P.O. Box No. 6655, Dubai, United Arab Emirates.

The authorised and fully paid up share capital of the Company is U.A.E. Dirham 300,000 divided into 100 shares of U.A.E. Dirham AED 3,000.

SHARE HOLDINGS

During the year, UAE Government amended the federal Commercial Companies Law, granting foreign investors full ownership of limited liability company. As a result, on 21st July 2022, the shareholding structure of the company was changed. Ahmad Abdulaziz Abdulla Almannei sold his 51% shares, transferring ownership to Travel Circle International (Mauritius) Limited. Consequently, the company transformed into a single owner entity, with Travel Circle International (Mauritius) Limited now holding 100% of the shares.

Below is the shareholding pattern of the Company before 21 July 2022:

Name	% holding
Ahmad Abdulaziz Abdulla Almannei	51
Travel Circle International (Mauritius) Limited ("the holding company")*	49

2) Basis of accounting

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB) and the preparation requirements of the UAE Federal Law No. (2) of 2015.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

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

d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

3(a) Changes in significant accounting policies

The Company has initially applied IFRS 15 and IFRS 9 from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have any material effect on the Company's financial statements.

Application of IFRS-9 and IFRS-15 did not have any material financial impact on the Company's financial statements.

3(a).2 *IFRS 9 Financial Instruments*

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted the consequential amendments to IAS 1 Presentation of Financial Statements, which require the charge for impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in administrative and general expenses.

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss account (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The application of IFRS 9 has not had any material financial impact effect on the Company's financial statements.

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 did not have any material financial impact on the allowance for impairment.

Transition

Changes if any, in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

3(b) Significant accounting policies

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements.

Financial instruments
Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

3(b) Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Policy applicable from 1 January 2018 (continued)

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 January 2018

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial assets – Policy applicable prior to 1 January 2018

The Company has classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
    - held for trading;
    - derivative hedging instruments; or
    - designated as at FVTPL.

3(b) Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses: Policy applicable prior to 1 January 2018 (continued)

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognized in profit or loss.
Held-to-maturity financial assets	Measured at amortized cost using the effective interest method.
Loans and receivables	Measured at amortized cost using the effective interest method.
Available-for-sale financial assets	Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognized in OCI and accumulated in the fair value reserve. When these assets were derecognized, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

3(b) Significant accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities(continued)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

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

Impairment

Non-derivative financial assets - Policy applicable from 1 January 2018

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

3(b) Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - Policy applicable from 1 January 2018 (continued)

Financial instruments (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3(b) Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - Policy applicable from 1 January 2018 (continued)

Financial instruments (continued)

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:
- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there was a measurable decrease in the expected cash flows from a Company of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by Companying together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

3(b) Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - Policy applicable from 1 January 2018 (continued)

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Gulf Dunes LLC

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31 December 2023

Gulf Dunes LLC

Financial statements
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Directors' Report

The directors submit their report together with the audited financial statements of Gulf Dunes LLC for the year ended 31 December 2023.

LEGAL STATUS

Gulf Dunes LLC ("the Company") is a limited liability company registered with the Ministry of Commerce and Industry in the Sultanate of Oman on May 01, 2001, under the commercial registration no. 1684345.

The Company's 70% shares are held by Gulf Dunes LLC, Dubai, UAE for the beneficial interest of Travel Circle International Ltd. ("the Parent Company") and 30% by Hani Juma'an Ashoor Al Rajab.

The main business activity of the Company is organizing of conventions, conferences and meeting for groups, management of lounges and carry out tour operator activities in Sultanate of Oman.

The registered office of Gulf Dunes LLC is P.O. Box no. 6655, Muscat, Sultanate of Oman.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2023 and 31st December 2022 are stated below:

Financial highlights	**2023 OMR**	2022 OMR
Net (loss)/profit	(9,319)	19,088
Total equity	94,893	104,212

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

KPMG Lower Gulf Limited is eligible for reappointment for 2024 and has expressed its willingness to continue in office. The director recommends the reappointment of KPMG Lower Gulf Limited as auditor of the Company for the year ending 31 December 2024.

On behalf of the Board

Salim Sikander
Chief financial officer

Peter Payet
Chief executive officer

Date: 29 April 2024

KPMG

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Independent auditors' report

To the Shareholders of Gulf Dunes LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gulf Dunes LLC ("the Company"), which comprise the statement of financial position as at December 31, 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' report which is set out on Page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

We report that these financial statements comply, in all material respects, with the applicable provisions of the Commercial Companies Law of 2019.

KPMG

30 April 2024 KPMG LLC

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Gulf Dunes LLC

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Notes	**2023 OMR**	2022 OMR
Revenue	*5*	**28,072**	152,484
Direct costs	*6*	**(22,339)**	(119,061)
Gross profit		**5,733**	33,423
Administrative and general expenses	*7*	**(13,238)**	(14,335)
(Loss)/Profit before tax		**(7,505)**	19,088
Tax expense	*16*	**(1,814)**	-
(Loss)/Profit for the year		**(9,319)**	19,088
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(9,319)**	19,088

The notes on pages 9 to 26 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 4.

Gulf Dunes LLC

Statement of financial position
As at 31 December 2023

	Notes	2023 OMR	2022 OMR
Assets			
Trade and other receivables	*8*	**3,379**	8,273
Due from a related party	*9*	**90,245**	140,032
Cash at bank	*14*	**7,391**	5,363
Current assets		**101,015**	153,668
Total assets		**101,015**	153,668
Equity and liabilities			
Equity			
Share capital	*12*	**150,000**	150,000
Statutory reserve	*13*	**5,201**	5,201
Accumulated losses		**(60,308)**	(50,989)
Total equity		**94,893**	104,212
Liabilities			
Trade and other payables	*10*	**6,122**	21,789
Due to a related party	*9*	**-**	27,667
Current liabilities		**6,122**	49,456
Total liabilities		**6,122**	49,456
Total equity and liabilities		**101,015**	153,668

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2023.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2024:

Salim Sikander
Chief Executive Officer

Peter Payet
Chief Financial Officer

The notes on pages 9 to 26 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 4.

Gulf Dunes LLC

Statement of cash flows
For the year ended 31 December 2023

	Notes	2023 OMR	2022 OMR
Cash flows from operating activities			
(Loss)/Profit for the year		**(9,319)**	19,088
Adjustments for:			
Tax expense	*16*	**1,814**	-
		(7,505)	19,088
Changes in:			
- trade and other receivables		**4,894**	(2,266)
- due from related parties		**49,787**	(47,820)
- trade and other payables		**(17,481)**	9,026
- due to related parties		**(27,667)**	27,667
Payments of employees' end of service benefits	*11*	**-**	(1,018)
Net cash from operating activities		**2,028**	4,677
Net increase in cash and cash equivalents		**2,028**	4,677
Cash and cash equivalents at beginning of the year		**5,363**	686
Cash and cash equivalents at end of the year	*14*	**7,391**	5,363

The notes on pages 9 to 26 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 4.

Gulf Dunes LLC

Statement of changes in equity

For the year ended 31 December 2023

	Share Capital OMR	**Statutory reserve OMR**	**Accumulated losses OMR**	**Total OMR**
At 1 January 2022	150,000	3,292	(68,168)	85,124
Transfer to statutory reserve	-	1,909	(1,909)	-
Profit for the year	-	-	19,088	19,088
At 31 December 2022	**150,000**	**5,201**	**(50,989)**	**104,212**
At 1 January 2023	150,000	5,201	(50,989)	104,212
(Loss) for the year	-	-	(9,319)	(9,319)
At 31 December 2023	**150,000**	**5,201**	**(60,308)**	**94,893**

The notes on pages 9 to 26 form an integral part of these financial statements.

1 Reporting entity

Gulf Dunes LLC ("the Company") is a limited liability company registered with the Ministry of Commerce and Industry in the Sultanate of Oman on May 01, 2001, under the commercial registration no. 1684345.

The Company's 70% shares are held by Gulf Dunes LLC, Dubai, UAE for the beneficial interest of Travel Circle International Ltd. ("the Parent Company") and 30% by Hani Juma'an Ashoor Al Rajab. The Ultimate Parent of the Company is Fairfax Financial Holdings Limited ("the Ultimate Parent Company"), a company registered in Toronto, Ontario, Canada.

Hani Juma'an Ashoor Al Rajab is acting as the local sponsor under an agreement dated May 16, 2011 and receives a sponsorship fee. Hani Juma'an Ashoor Al Rajab has agreed not to take part in the operational and financial management of the Company.

The main business activity of the Company is organizing of conventions, conferences and meeting for groups, management of lounges and carry out tour operator activities in Sultanate of Oman. The registered office of Gulf Dunes LLC is P.O. Box no. 6655, Muscat, Sultanate of Oman.

2 Basis of accounting

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board (IASB) and the requirements of the Commercial Companies Law of 2019.

b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

c) Functional and presentation currency

These financial statements are presented in Omani Rial ("OMR"), which is the Company's functional currency.

d) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements made by management in the application of IFRS does not have any significant effect on the financial statements and there is no management estimates which could have a significant risk of material adjustment in the future years.

e) Going concern

During the year ended 31 December 2023, the Company incurred a loss after tax of OMR 9,319 and as at 31 December 2023 its accumulated losses amounted to OMR 60,308 (2022: accumulated losses OMR 50,989). The condition indicates existence of events that cast doubt on the Company's ability to continue as going concern.

The cashflow forecast has been prepared taking into consideration the current financial performance of the Company subsidiaries business, financial support provided by the parent

2 Basis of accounting (continued)

e) Going concern (continued)

company, and the degree to which it is affected by external factors and other financial and non-financial information available at the time of preparation of such forecasts.

Management as part of its assessment also considered and assessed the financial results and specifically the cash flow position subsequent to the year end. The overall objective is to maintain the liquidity position of the Company to ensure it has adequate cashflows to meet its financial obligations in the foreseeable future. Furthermore, to maintain adequate cashflows and availability of working capital, the Ultimate Parent Company has provided a letter of support confirming that it will be providing all the necessary financial support to the Company in order to meet its working capital obligations in the foreseeable future.

Based on the above, management, Board of Directors and the parent company are of the view that the Company will continue to have sufficient positive cash flows available in the foreseeable future to meet its liabilities and working capital commitments as and when they fall due in the foreseeable future. Accordingly, it is appropriate to prepare these financial statements as and for the year ended 31 December 2023 on a going concern basis.

f) Changes in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The amendment has no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change.

Material accounting policy information

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of "material", rather than "significant", accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances (see Note 2 (f) for further information).

Revenue from contract with customers

The Company renders a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups. Revenue from rendering these services is recognized in the profit or loss when it transfers control over a service to a customer. This is generally the case on the date of arrival. Any expected discounts to the customers are estimated and are netted off against transaction price as per the requirements of the accounting standard.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

3 Material accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

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

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized is recognized as finance cost.

Employees' end of service benefits

The Company provides employee' end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the profit or loss as incurred.

Share capital

Ordinary shares are classified as equity. Balances which represent a residual interest in the net assets of the Company are presented within equity.

Foreign currency transactions

Transactions in foreign currencies are translated to OMR and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to OMR at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are

3 Material accounting policies (continued)

Foreign currency transactions (continued)

translated into RO using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the profit or loss except to the extent that is relates to a business combination, or items recognised directly in the equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e.the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e.120 days from the invoice date.

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

3 Material accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

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

3 Material accounting policies (continued)

Impairment (continued)

Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Leases

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

a) The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
c) The Company has the right to direct the use of the asset. The Company 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 Company has the right to direct the use of the asset if either:

3 Material accounting policies (continued)

Leases (continued)

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

At inception or on assessment of a contract that contains a lease component, the Company applies, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Right of use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received.

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

Lease liability

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

Lease payments in the measurement of the lease liability comprise the following:

a) fixed payments, including in-substance fixed payments.
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
c) amounts expected to be payable under a residual value guarantee; and
d) the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

3 Material accounting policies (continued)

Leases (continued)

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

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment's that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. All the lease contracts of the Company are short term contracts hence there is no impact of adoption of IFRS 16 on the Company's financial statements.

New standards or amendments and forthcoming requirements

A number of new accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024. The Company is in the process of assessing the potential impact of the amendments on the classification of this liability and the related disclosure.

B. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

The Company is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

a) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
b) Lack of Exchangeability (Amendments to IAS 21).

3 Material accounting policies (continued)

New standards or amendments and forthcoming requirements (continued)

New currently effective requirements	**Effective date**
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies -Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates -Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction -Amendments to IAS 12	1 January 2023
International Tax Reform-Pillar Two Model Rules Amendments to IAS 12	23 May 2023

These standards and amendments do not have a significant impact on the Company's financial statements as at 31 December 2023.

New standards or amendments issued but not yet effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Classification of Liabilities as Current or Non-current - Amendments to IAS 1 and Non-Current Liabilities with Covenants (Amendments to IAS 1)	*1 January 2024*
Lease liability in a Sale and Leaseback – Amendments to IFRS 16	*1 January 2024*
Supplier Finance Arrangements – Amendments of IAS 7 and IFRS 7	*1 January 2024*
Lack of Exchangeability – Amendments to IAS 21	*1 January 2025*
Sale or Contribution of assets between an investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	*Optional*

4 Financial risk management

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

• credit risk;
• liquidity risk; and
• market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included on note 17 of these financial statements.

4 Financial risk management (continued)

Risk management framework

The management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables (excluding prepayments and advances to suppliers) and amounts due from a related party.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures in respect of losses that have been incurred but not yet identified. The Company's cash is placed with bank of good repute.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables (excluding advances from customers), and due to related parties. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains adequate reserves, by continuous monitoring, forecast and actual cash flows.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and fluctuations in fair value will affect the Company'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 optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to OMR, the Company does not hedge the currency risk in respect of its foreign currency exposure.

Interest rate risk
Interest rate risk is the risk of loss from fluctuations of future cash flows because of a change in market interest rates.

4 Financial risk management *(continued)*

Market risk ***(continued)***

Other market price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital structure to reduce the cost of capital. Capital requirements are prescribed by the Commercial Companies Law of 2019.

5 Revenue

The Company's revenue is generated by providing a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups.

	2023 OMR	2022 OMR
Tourism and related services	**28,072**	152,484
	28,072	152,484
Geographical markets		
Oman	**28,072**	152,484
Timing of revenue recognition		
Revenue recognized at a point in time	**28,072**	152,484

6 Direct costs

Direct costs comprise hotel bookings, transport, visa, excursions and travel related services.

	2023 OMR	2022 OMR
Tourism and related services	**22,339**	119,061
	22,339	119,061

7 Administrative and general expenses

	2023 OMR	2022 OMR
Staff salaries and benefits	**-**	7,086
Sponsorship fees	**6,285**	5,343
Legal and professional charges	**4,405**	1,820
Business promotion	**2,323**	36
Miscellaneous expenses	**225**	50
	13,238	14,335

The staff salaries and benefits comprise:

Salaries and other related benefits	**-**	7,086
	-	7,086

8 Trade and other receivables

	2023 OMR	2022 OMR
Prepayments	**3,144**	6,173
Accrued commission income	**-**	1,865
Advance to supplier	**235**	235
	3,379	8,273

9 Related party transactions

The Company in normal course of business, enter into transactions with other business entities which fall within the definition of related party contained in International Accounting Standard 24. Such transactions are on terms and conditions mutually agreed between them. There were no transactions with the related party except for the funds payment and receipt during the year ended 31 December 2023 and 31 December 2022. Related party Gulf Dunes LLC, Dubai and Muscat Desert Adventures Tourism LLC are the sister concern of the Company.

Due from a related party

	2023 OMR	2022 OMR
Gulf Dunes LLC, Dubai	**90,245**	140,032
	90,245	140,032

Due to a related party

	2023 OMR	2022 OMR
Muscat Desert Adventures Tourism LLC	-	27,667

9.1 Related party balance is interest-free and repayable on demand.

10 Trade and other payables

	2023 OMR	2022 OMR
Advance from customers	-	15,677
VAT payable	-	3,170
Trade Payables	**141**	1,972
Tax payable	**1,814**	-
Accruals and other payables	**4,167**	970
	6,122	21,789

11 Employees' end of service benefits

	2023 OMR	2022 OMR
Balance at 01 January	-	1,018
Charge for the year	-	-
Payments made during the year	-	(1,018)
Balance at 31 December	-	-

12 Share capital

	2023 OMR	2022 OMR
Authorized, issued and fully paid-up capital		
150,000 ordinary shares of OMR 1 each	**150,000**	150,000

12.1 The authorized and fully paid-up share capital of the Company is 150,000 divided into 150,000 shares of Omani Rial 1.

13 Statutory reserves

In accordance with Article 132 of the Commercial Companies Law of 2019, a minimum of 10% of the net profit of the Company is to be allocated every year to a statutory reserve. No such transfer is required once the statutory reserve has reached one-third of the paid-up share capital of the Company. During the year, as Company has incurred loss, no amount was transfer to reserves (2022: OMR 1,909 is transfer to reserves).

14 Cash at bank

	2023 OMR	2022 OMR
Cash at bank	**7,391**	5,363

15 Contingent liabilities and capital commitment

The Company had Nil contingent liabilities and capital commitment as at 31 December 2023 (*2022: OMR Nil*).

16 Taxes

a) The Company is liable to income tax at the rate of 15% of taxable profits as amended by Royal Decree No.9/2017.

	2023	2022
	OMR	OMR
Current year	**323**	-
Prior years	**1,492**	-
Total tax	**1,814**	-

Movement of provision for taxation

At 1 January	**-**	-
Provision during the year	**1,814**	-
At 31 December	**1,814**	**-**

Deferred tax asset on losses has not been recognized as the Company believes that sufficient taxable profits will not be generated to utilize deferred tax asset.

b) ***Reconciliation***

The following is tax reconciliation of income taxes calculated at applicable tax rate with income tax expense:

	2023	2022
	OMR	OMR
Profit for the year	**(7,505)**	19,088
Income tax as per rates mentioned above	**(1,126)**	2,863
Non-deductible expenses	**1,448**	1,046
Deferred tax not recognized for prior period	**-**	(3,909)
Current tax – prior year	**1,492**	-
Tax expense for the year	**1,814**	-

c) ***Status of the tax assessments***

The assessment of the Company has been completed and agreed upto the Tax Year 2019. The Company has filed an Objection against the arbitrary disallowances of salaries and related costs made in the assessment order for the Tax year 2019. The objection has not yet been issued by the Tax Authority ("TA") has initiated the assessment for Tax Year 2019, however, the same has not been finalized yet. The assessment for Tax Years 2020 and 2022 has not yet initiated by the TA.

17 Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

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

	2023 OMR	2022 OMR
Trade and other receivables (excluding prepayments and advances to suppliers)	-	1,865
Cash at bank	**7,391**	5,363
Due from a related party	**90,245**	140,031
	97,636	147,259

Liquidity risk

The following are the contractual maturities of financial liability based on contractual undiscounted payments including interest payment and excluding impact of netting:

31 December 2023	**Carrying amount OMR**	**Contractual cashflows OMR**	**1 year or less OMR**
Non derivative financial liabilities			
Trade and other payables*	**4,308**	**(4,308)**	**(4,308)**
	4,308	**(4,308**	**(4,308)**

***(excluding advances from customers, Tax and VAT payable)**

31 December 2022	Carrying amount OMR	Contractual cashflows OMR	1 year or less OMR
Non derivative financial liabilities			
Trade and other payables	2,942	(2,942)	(2,942)
Due to a related party	27,667	(27,667)	(27,667)
	30,609	(30,609)	(30,609)

*(excluding advances from customers and VAT payable)

17 Financial instruments (continued)

Market risk

Foreign exchange risk

The Company has no significant exposure to foreign currency risk as foreign currency transactions are mainly made in USD and the OMR to USD exchange rate has remained unchanged since 1986.

Interest rate risk

The Company has no borrowings and is not exposed to interest rate risk.

18 Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to the short-term nature of these instruments.

Fair value hierarchy

As at 31 December 2023 and 31 December 2022, there are no financial instruments carried at fair value by valuation method. Accordingly, fair value hierarchy disclosures are not applicable.

19 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization on 29 April 2024, which would have a material effect on the financial statements.

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Directors' Report

The directors submit their report together with the audited financial statements of the Company for the year ended 31st December 2023.

LEGAL STATUS

Muscat Desert Adventures Tourism LLC is a limited liability company ("the Company") registered with the Ministry of Commerce and Industry in the Sultanate of Oman on October 31, 2005, under the commercial registration no. 1808435. The Company is a subsidiary of Desert Adventures Tourism LLC ("the Holding Company"), a company registered in Dubai, United Arab Emirates.

The Company is 70% owned subsidiary of Desert Adventures Tourism LLC, a company registered in Dubai, United Arab Emirates and 30% shares are held by a local partner namely Hani Juma'an Ashoor Al Rajab

The principal activity of the Company is to carry out tour operation business which include handling Hotel Booking, Leisure, FIT, Visa Processing and Transfer.

The registered office of the Muscat Desert Adventures Tourism LLC is P.O. Box No. 809, P.C.133, Al Khuwair, Sultanate of Oman.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2023 and 31st December 2022 are stated below:

Financial highlights	**2023** **OMR**	2022 OMR
Net Profit / (loss)	12,391	(33,812)
Total equity	(57,608)	(69,999)

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

KPMG Lower Gulf Limited is eligible for reappointment for 2024 and has expressed its willingness to continue in office. The director recommends the reappointment of KPMG Lower Gulf Limited as auditor of the Company for the year ending 31 December 2024.

On behalf of the Board

Salim Sikander
Chief financial officer

Peter Payet
Chief executive officer

Date: 29 April 2024

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4th Floor, Shatti Al Qurum
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Independent auditors' report

To the Shareholders of Muscat Desert Adventures Tourism LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Muscat Desert Adventures Tourism LLC ("the Company"), which comprise the statement of financial position as at December 31, 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' report which is set out on Page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Auditors' Responsibilities for the Audit of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

We report that these financial statements comply, in all material respects, with the applicable provisions of the Commercial Companies Law of 2019.

KPMG

30 April 2024 KPMG LLC

KPMG
KPMG LLC
Children's Public Library Building
4th floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
CR.No: 1358131

Muscat Desert Adventures Tourism LLC
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Notes	**2023 OMR**	2022 OMR
Revenue	*4*	**1,152,185**	564,204
Cost of sales	*5*	**(992,139)**	(493,076)
Gross profit		**160,046**	71,128
Administrative and general expenses	*6*	**(142,146)**	(114,438)
Other income	*7*	**-**	11,721
Operating Profit / (loss)		**17,900**	(31,589)
Finance cost - bank charges		**(5,509)**	(2,674)
Finance income		**-**	451
Profit / Loss before tax and		**12,391**	(33,812)
Tax expense	*18*	**-**	-
Profit / (Loss) after tax		**12,391**	(33,812)
Other comprehensive income		**-**	-
Total comprehensive Profit / (loss) for the year		**12,391**	(33,812)

The notes on pages 9 to 26 are an integral part of these financial statements.

The independent auditors' report is set out on page 2 - 4.

Muscat Desert Adventures Tourism LLC
Statement of financial position
As at 31 December 2023

	Notes	**2023 OMR**	2022 OMR
ASSETS			
Property and equipment	*8*	**894**	1,303
Non-current assets		**894**	1,303
Trade and other receivables	*9*	**169,732**	116,182
Due from related parties	*10*	**91,431**	27,667
Cash and cash equivalents	*15*	**48,287**	280,512
Current assets		**309,450**	424,361
Total assets		**310,344**	425,664
EQUITY AND LIABILITIES			
Equity			
Share capital	*13*	**150,000**	150,000
Statutory reserve	*14*	**50,000**	50,000
Accumulated losses		**(257,608)**	(269,999)
Total equity		**(57,608)**	(69,999)
Liabilities			
Employees' end of service benefits	*12*	**2,795**	2,665
Non-current liability		**2,795**	2,665
Trade and other payables	*11*	**364,343**	274,656
Due to related parties	*10*	**814**	218,342
Total current liabilities		**365,157**	492,998
Total liabilities		**367,952**	495,663
Total equity and liabilities		**310,344**	425,664

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operations and cashflows of the Company as of, and for, the year ended 31 December 2023.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2024.

Salim Sikander
Chief Executive Officer

Peter Payet
Chief Financial Officer

The notes on pages 9 to 26 are an integral part of these financial statements.

The independent auditors' report is set out on page 2-4.

Muscat Desert Adventures Tourism LLC
Statement of cash flows
For the year ended 31 December 2023

	Note	**2023 OMR**	2022 OMR
Cash flow from operating activities			
Profit / (Loss) for the year		**12,391**	(33,812)
Adjustments for:			
Depreciation	*8*	**609**	433
Provision for employees' end of service benefits	*12*	**1,177**	928
Other income	*7*	**-**	(11,721)
		14,177	(44,172)
Changes in:			
- trade and other receivables		**(53,551)**	(45,954)
- due from related parties		**(63,764)**	(2,994)
- trade and other payables		**89,687**	111,780
- due to related parties		**(217,527)**	214,336
Payment of employees' end of service benefits	*12*	**(1,047)**	(2,733)
Net cash (used in)/from operating activities		**(232,025)**	230,263
Cash flow from investing activities			
Acquisition of property and equipment	*8*	**(200)**	(1,324)
Net cash (used in) investing activities		**(200)**	(1,324)
Net increase in cash and cash equivalents		**(232,225)**	228,939
Cash and cash equivalents at beginning of the year		**280,512**	51,573
Cash and cash equivalents at the end of the year	*15*	**48,287**	280,512

The notes on pages 9 to 26 are an integral part of these financial statements.

The independent auditors' report is set out on page 2-4.

Muscat Desert Adventures Tourism LLC
Statement of changes in equity
For the year ended 31 December 2023

	Share capital OMR	Statutory reserve OMR	Accumulated losses OMR	Total OMR
At 1 January 2022	150,000	50,000	(236,187)	(36,187)
Total comprehensive loss for the year	-	-	(33,812)	(33,812)
At 31 December 2022	**150,000**	**50,000**	**(269,999)**	**(69,999)**
At 1 January 2023	150,000	50,000	(269,999)	(69,999)
Total comprehensive Profit for the year	-	-	12,391	12,391
At 31 December 2023	**150,000**	**50,000**	**(257,608)**	**(57,608)**

The notes on pages 9 to 26 form an integral part of these financial statements.

1 Reporting entity

Muscat Desert Adventures Tourism LLC is a limited liability company ("the Company") registered with the Ministry of Commerce and Industry in the Sultanate of Oman on October 31, 2005, under the commercial registration no. 1/80843/5. The Company is 70% owned subsidiary of Desert Adventures Tourism LLC ("the Holding Company"), a company registered in Dubai, United Arab Emirates and 30% shares are held by a local partner namely Hani Bin Juman Ashour Rajab who has agreed not to take part in the operational and financial management of the Company and has confirmed that these shares are held for the beneficial interest of the Company.

The principal activity of the Company is to carry out tour operation business which include handling Hotel Booking, Leisure, FIT, Visa Processing and Transfer. The Company secures access to hotel accommodation and other travel and tourism related activities and sells it to customer who generally are tour operators, travel agents and other wholesalers.

The registered office of Muscat Desert Adventures Tourism LLC is P.O. Box No. 809, P.C.133, Al Khuwair, Sultanate of Oman.

The ultimate parent of the Company is Fairfax Financial Holdings Limited with a registered address at 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada.

The Company did not purchase any shares during the year.

2 Basis of accounting

a) Going concern

As at 31 December 2023, the Company has accumulated losses amounted to OMR 257,608 (2022: OMR 269,999) and net current liabilities amounted to OMR 55,706 (2022: OMR 68,637). The condition indicates existence of events that cast doubt on the Company's ability to continue as going concern.

The cashflow forecast has been prepared taking into consideration the current financial performance of the Company subsidiaries business, financial support provided by the parent company, and the degree to which it is affected by external factors and other financial and non-financial information available at the time of preparation of such forecasts.

Management as part of its assessment also considered and assessed the financial results and specifically the cash flow position subsequent to the yearend. The overall objective is to maintain the liquidity position of the Company to ensure it has adequate cashflows to meet its financial obligations in the foreseeable future. Furthermore, to maintain adequate cashflows and availability of working capital, the Ultimate Parent Company has provided a letter of support confirming that it will be providing all the necessary financial support to the Company in order to meet its working capital obligations in the foreseeable future.

Based on the above, management, Board of Directors and the parent company are of the view that the Company will continue to have sufficient positive cash flows available in the foreseeable future to meet its liabilities and working capital commitments as and when they fall due in the foreseeable future. Accordingly, it is appropriate to prepare these financial statements as and for the year ended 31 December 2023 on a going concern basis.

b) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB) and the requirements of the Commercial Companies Law of 2019.

c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

d) Functional and presentation currency

The financial statements are presented in Omani Rial ("OMR"), which is the Company's functional currency.

2 Basis of accounting (continued)

e) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognized in these financial statements are disclosed in note 21.

f) Changes in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The amendment has no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change.

Material accounting policy information

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of "material", rather than "significant", accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances (see Note 2 (f) for further information).

Revenue

The Company renders a wide range of tourism and related services.

Revenue includes hotel accommodation, transfers, visa services and other tourism and travel related services. The revenue from rendering these services is recognized in profit or loss at the fair value of the consideration received or receivable.

3 Material accounting policies (continued)

Revenue (continued)

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
- **Tourism & related services** including: - Hotel accommodation - Visas - Transfers - Meet and greet and. - Excursions	Control of travel related services is considered transferred to customer at the travel in date i.e. in case of: - Visas at the date of issuance. - Hotel accommodation on the date hotel check in. - Transfers on the date of arrival. - Meet and greet on the date of arrival; and - Excursions on the date excursions Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.
Tour Packages	The services above are also sold as a combined tour package to travelers. In case of a combined tour package, entire package is generally considered as a single performance obligation. The combination of separate services in a combined tour package is considered significant integration and revenue for the entire tour package is recognized at the time of travel in date. Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.

Financial instruments

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3 Material accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial assets (continued)

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting

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

Foreign currency transactions

Transactions in foreign currencies are translated to OMR at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to OMR at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into OMR using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent cost

The cost of replacing an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognized in the profit or loss as incurred.

Depreciation

Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation on additions is calculated on a pro-rata basis from the day of addition and on disposal up to and including the month of disposal of the asset. The estimated useful lives for the current year and prior years are as follows:

	Years
Motor vehicles	4
Office equipment	2 – 5
Office furniture and installations	5

The depreciation method and useful lives, as well as estimates of residual lives, are reassessed annually.

3 Material accounting policies (continued)

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default.
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3 Material accounting policies (continued)

Impairment (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:
- default or delinquency by a debtor.
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise.
- indications that a debtor or issuer would enter bankruptcy.
- adverse changes in the payment status of borrowers or issuers.
  observable data indicating that there was a measurable decrease in the expected cash flows from a Company of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

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

3 Material accounting policies (continued)

Impairment (continued)

Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions

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

Employees' end of service benefits

Employees' end of service benefits is accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of IFRS and the Oman Labor Law 2003 and its amendments.

Employee entitlements to annual leave and leave passage are recognized when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in liabilities.

Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognized in the profit or loss except to the extent that it relates to a business combination, or items recognized directly in the equity or in other comprehensive income.

Current tax (refer to note 18) is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Intercompany recharges

Intercompany expenses are recharged to related parties at arm's length price. Charges mainly includes Salaries and Other Admin expense including IT system cost as paid by / charged to the Company.

3 Material accounting policies (continued)

Contract assets

The contract assets are recognized for the Company's rights to consideration for services provided to the customer but not billed at the reporting date. The amount is netted with the expected credit losses, if any. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customers.

Leases

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

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

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

The Company has the right to direct the use of the asset. The Company 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 Company has the right to direct the use of the asset if either:

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

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

3 Material accounting policies (continued)

Leases (continued)

As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a revised in-substance fixed lease payment.

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

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

New standards or amendments and forthcoming requirements

A number of new accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024. The Company is in the process of assessing the potential impact of the amendments on the classification of this liability and the related disclosure.

B. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

The Company is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

a) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
b) Lack of Exchangeability (Amendments to IAS 21).

3 Material accounting policies (continued)

New standards or amendments and forthcoming requirements (continued)

New currently effective requirements	**Effective date**
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies -Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates -Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1 January 2023
International Tax Reform-Pillar Two Model Rules Amendments to IAS 12	23 May 2023

These standards and amendments do not have a significant impact on the Company's financial statements as at 31 December 2023.

New standards or amendments issued but not yet effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Classification of Liabilities as Current or Non-current - Amendments to IAS 1 and Non-Current Liabilities with Covenants (Amendments to IAS 1)	*1 January 2024*
Lease liability in a Sale and Leaseback – Amendments to IFRS 16	*1 January 2024*
Supplier Finance Arrangements – Amendments of IAS 7 and IFRS 7	*1 January 2024*
Lack of Exchangeability – Amendments to IAS 21	*1 January 2025*
Sale or Contribution of assets between an investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	*Optional*

4 Revenue

Revenue from contract with customers is disaggregated by major products and service lines.

	2023 **OMR**	2022 OMR
Tourism and related services	**1,152,185**	564,204
	1,152,185	564,204
Geographical markets		
Oman	**1,152,185**	564,204
Timing of revenue recognition		
Revenue recognized at a point in time	**1,152,185**	564,204

5 Cost of sales

	2023 **OMR**	2022 OMR
Tourism and related services	**992,139**	493,076
	992,139	493,076

6 Administrative and general expenses

	2023 OMR	2022 OMR
Staff salaries and related benefits (i)	**93,748**	71,589
Rent and utility expense	**11,701**	11,299
Motor vehicle expense	**4,234**	3,934
Promotion and business expense	**9,917**	6,533
Government and legal fees	**8,684**	8,244
Depreciation expense (refer note 8)	**609**	433
Office communication and postage expenses	**5,864**	6,886
Other Expenses	**7,389**	5,520
	142,146	114,438

(i) The staff salaries and related benefits comprises:

Staff salaries and wages	**75,723**	63,554
Other staff benefits	**16,848**	7,107
End of service benefits (refer note 12)	**1,177**	928
	93,748	71,589

7 Other income

	2023 OMR	2022 OMR
Other income	**-**	11,721
	-	11,721

8 Property and equipment

	Motor vehicle OMR	**Office equipment OMR**	**Office furniture and installations OMR**	**Total OMR**
Cost				
At 1 January 2022	59,474	5,211	16,848	81,533
Addition	-	1,324	-	1,324
As at 31 December 2022	59,474	6,535	16,848	82,857
At 1 January 2023	59,474	6,535	16,848	82,857
Addition	-	200	-	200
As at 31 December 2023	**59,474**	**6,735**	**16,848**	**83,057**
Depreciation				
As at 1 January 2022	59,474	5,211	16,436	81,121
Charge for the year	-	299	134	433
As at 31 December 2022	59,474	5,510	16,570	81,554
As at 1 January 2023	59,474	5,510	16,570	81,554
Charge for the year	-	476	133	609
As at 31 December 2023	**59,474**	**5,986**	**16,703**	**82,163**
Net book value				
At 31 December 2023	-	749	145	894
At 31 December 2022	-	1,025	278	1,303

9 Trade and other receivables

	2023 OMR	2022 OMR
Trade receivables	**120,702**	93,775
Provision for impairment loss on trade receivables (refer note 9.1)	**(5,713)**	(5,713)
	114,989	88,062
Prepayments	**39,830**	14,226
Deposits	**9,350**	8,600
Other receivables	**5,563**	5,294
	169,732	116,182

9.1 Provision for impairment loss on trade receivables

The movement in the provision for impairment loss on trade receivables during the year was as follows:

	2023 OMR	2022 OMR
As at 1 January	**5,713**	5,713
As at 31 December	**5,713**	5,713

10 Related parties

Related parties, within the definition of a related party contained in International Accounting Standard 24, represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. There were no transactions with the related party except for the funds payment and receipt during the year ended 31 December 2023 and 31 December 2022. Related party Desert Adventure Tourism L.L.C is the Parent Company of the Company and Gulf Dunes LLC and Jordan Desert Adventures Tourism L.L.C. are the sister concerns of the Company.

Due from related parties

	2023 OMR	2022 OMR
Desert Adventures Tourism L.L.C. – Dubai	**91,431**	-
Gulf Dunes LLC	**-**	27,667
	91,431	27,667

Due to related parties

	2023 OMR	2022 OMR
Desert Adventures Tourism L.L.C. – Dubai	**-**	213,945
Jordan Desert Adventures Tourism L.L.C.	**814**	4,397
	814	218,342

The key management personnel compensation is as follows:

	2023 OMR	2022 OMR
Short-term employee benefits	**2,795**	2,665

11 Trade and other payables

	2023 OMR	2022 OMR
Hotel and other service accruals	**206,585**	144,523
Trade payables	**56,300**	6,165
Advances from customers	**91,944**	117,219
Accruals and other payables		
-Employee accruals	**5,079**	3,238
-Other payables	**4,435**	3,511
	364,343	274,656

12 Employees' end of service benefits

	2023 OMR	2022 OMR
At 1 January	**2,665**	4,470
Provision during the year	**1,177**	928
Payments made during the year	**(1,047)**	(2,733)
At 31 December	**2,795**	2,665

13 Share capital

	2023 OMR	2022 OMR
Authorized, and fully paid up capital		
150,000 shares of OMR 1 each	**150,000**	150,000

14 Statutory reserve

In accordance with Article 132 of the Commercial Companies Law of 2019, a minimum of 10% of the net profit of the Company is to be allocated every year to a statutory reserve. No such transfer is required once the statutory reserve has reached one-third of the paid-up share capital of the Company. During the year, no transfers were made to this reserve as the amount of the reserve has reached to the threshold *(2022: AED Nil)*.

15 Cash and cash equivalents

	2023 OMR	2022 OMR
Cash at bank	**42,837**	276,492
Cash in hand	**5,450**	4,020
	48,287	280,512

16 Contingencies

Guarantees amounting to OMR 5,000 *(2022: OMR 5,000)* were issued in favor of the Company by Bank Muscat. These were issued during the normal course of business.

17 Commitments

The Company does not have any commitments as at 31 December 2023 *(2022: Nil).*

18 Taxes

a) The Company is liable to income tax at the rate of 15% of taxable profits as amended by Royal Decree No.9/2017.

	2023 OMR	2022 OMR
Current year	-	-
Prior years	-	-
Total tax expense for the year	-	-

Reconciliation of tax expense

The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rates with the income tax expense for the year:

	2023 OMR	2022 OMR
Profit / (Loss) for the year	**12,391**	(33,812)
Income tax at 15%	**1,859**	(5,072)
Non-deductible expenses	**1,199**	1,001
Unrecorded deferred tax on tax losses	**(4,795)**	(5,653)
Deferred tax on tax losses expired during the year	**1,737**	9,724
Taxable expense for the year	-	-

Deferred tax asset has not been recognized on losses as the management believes that sufficient taxable profits will not be available in future.

Status of assessment

The assessment of the Company has been completed and agreed up to the Tax Year 2019. The assessment for Tax Years 2020 and 2022 has not yet initiated by the TA. Management is of the opinion that any additional taxes, if any, related to the open years would not be significant to the Company's financial position as at 31 December 2023.

19 Financial risk management

The Company has exposure to the following risks arising from financial instruments

- Credit risk.
- Liquidity risk; and
- Market risk.

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policy.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

19 Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

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

	2023 OMR	2022 OMR
Trade and other receivables *	**129,902**	101,956
Due from related parties	**91,431**	27,667
Cash at bank	**42,837**	276,492
	----------	----------
	264,170	406,115
	======	======

* Prepayments are excluded.

At 31 December 2023 and 31 December 2022, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Gross Amount 2023 OMR	Gross amount 2022 OMR
Geographical regions		
Europe	**43,340**	53,885
Middle East	**711**	731
Commonwealth of Independent States	**42,465**	9,685
Others	**34,186**	29,474
	---------	---------
Grand total	**120,702**	93,775
	=====	=====

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2023 OMR	**Credit impaired 2023 OMR**	Not credit-impaired 2022 OMR	Credit impaired 2022 OMR
Not yet due	-	-	-	-
1-30 days	**103,998**	-	65,598	-
31- 90 days	**12,969**	-	24,032	(1,568)
91- 120 days and above	**3,735**	**(5,713)**	4,145	(4,145)
	---------	---------	---------	---------
Total	**120,702**	**(5,713)**	93,775	(5,713)
	=====	=====	=====	=====

19 Financial risk management (continued)

Credit risk

Impairment losses

Expected credit losses assessment for individual customers as at 31 December 2023 and 31 December 2022.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise large number of trade balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region and industry.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Exposure is segmented by geographical region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows.

The following are the contractual maturities of financial liabilities based on contractual payments:

	Carrying amount OMR	Contractual cash outflows OMR	1 year or less OMR
2023			
Non derivative financial liabilities			
Trade and other payables*	272,399	272,399	272,399
	======	======	======
2022			
Non derivative financial liabilities			
Trade and other payables*	157,437	(157,437)	(157,437)
	======	======	======

**excluding advances from customers*

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company'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.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to OMR, the Company does not hedge the currency risk in respect of its foreign currency exposure.

19 Financial risk management (continued)

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to shareholders. The Company is not subject to externally imposed capital requirements.

20 Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts.

Fair value hierarchy

As at 31 December 2023 and 31 December 2022, there are no financial instruments carried at fair value by valuation method.

21 Use of judgments and estimates

In the process of applying the entity's accounting policies, which are described in the notes, management has made certain judgment and estimates as mentioned below.

Assumptions and estimation uncertainties

The key assumption concerning the future, and other key sources of estimating uncertainty at the reporting date, 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.

Impairment losses on receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 19.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their 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 (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary. Detailed information about the judgments and estimates made by the Company in the above areas is set out in note 19.

22 Comparatives

Previous year reported figures have been regrouped/reclassified, wherever necessary, to conform to the current year's presentation. The reclassification of items is not considered material and does not impact the financial statement as at the beginning of the earliest comparative period. Thus, a third statement of financial position at the beginning of the earliest comparative period has not been presented.

23 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization on 29 April 2024, which would have a material effect on the financial statements.

PSNAM - Private Safaris Namibia
Statement of Profit And Loss for the 12 months ended Mar 2024

Period 1st April,2023 to 31st March 2024 **Currency - NAD**

Particulars	Notes	12 months ended Mar 2024	12 months ended Mar 2023
Income			
Revenue from operations	17	108,507,819.3	78,511,233.1
Other income	18(a)	227,965.9	143,015.4
Other gains (net)	18(b)	85,923.0	17,565.9
Total income		**108,821,708.2**	**78,671,814.4**
Expenses			
Cost of services		95,831,492.8	69,485,322.8
Employee benefits expense	19	5,848,815.6	4,657,022.3
Finance Cost	22	234,792.5	493,690.8
Advertisement Expenses		489,311.0	280,485.5
Depreciation and amortisation expense	20	51,373.8	27,250.7
Other expenses	21	4,325,032.5	1,895,935.7
Total expenses		**106,780,818.1**	**76,839,707.9**
Profit before exceptional item		**2,040,890.1**	**1,832,106.6**
Add Exceptional items:		-	-
Less Exceptional items:		-	-
(Loss)/Profit before tax		**2,040,890.1**	**1,832,106.6**
Less : Tax expense			
Current tax	23	-	-
Deferred tax	23	-	-
Total tax expenses		**-**	**-**
(Loss)/Profit for the year (A)		**2,040,890.1**	**1,832,106.6**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations			
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		**-**	**-**
Total comprehensive income for the year (A+B)		**2,040,890.1**	**1,832,106.6**
Earnings/(Loss) per equity share (Face value of INR 1 each)	34		
- Basic earnings/(loss) per share		-	-
- Diluted earnings/(loss) per share		-	-

Summary of Significant Accounting Policies **2**
The above statement of profit and loss should be read in conjunction with the accompanying notes.

PSNAM - Private Safaris Namibia
Balance Sheet as at 31st March 2024

Particulars	Notes	Currency - NAD As at 31st March 2024	12 months ended Mar 2023
ASSETS			
Non-current assets:			
Property, plant and equipment	3	107,454.0	161,835.3
Capital work-in-progress	3	-	-
Goodwill	4	-	-
Other intangible Assets	4	11.5	-
Right of Use Assets	4(a)	-	0.0
Intangible assets under development			
Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	-	-
Financial assets			
- Non current investments	5	-	-
- Loans			
- Other financial assets	6(e)	50,402.6	284,380.6
Non-current bank balances			
Others			
Other non-current assets	7	-	-
Non Current Income Tax assets	9	-	-
Deferred tax assets (net)	16	39,450.0	32,425.8
Total non-current assets		**197,318.1**	**478,641.8**
Current assets:			
Inventories			
Financial assets			
- Investments	6(a)	-	-
- Trade receivables	6(b)	7,600,160.0	3,181,510.9
- Cash and cash equivalents	6(c)	8,106,762.9	13,175,627.6
- Bank balances other than cash and cash equivalents	6(d)	-	-
- Other financial assets	6(e)	-	-
Other current assets	8	7,363,984.0	948,482.5
Total current assets		**23,070,906.9**	**17,305,621.1**
TOTAL ASSETS		**23,268,224.9**	**17,784,262.8**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	3,000,000.0	3,000,000.0
Preference share capital	10(a)	1,000.0	1,000.0
Other equity			
Share application money pending allotment		-	-
Reserve and surplus	10(b)	(14,101,096.9)	(16,141,986.9)
Total Equity		**(11,100,096.9)**	**(13,140,986.9)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	(62,065.5)	521,241.1
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		**(62,065.5)**	**521,241.1**
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	-	-
- Trade payables	11(d)	5,442,068.6	11,456,662.5
- Other financial liabilities	11(c)	10,970,864.8	9,876,766.4
Provisions	14	-	-
Employee Benefit Payable	15	144,126.5	192,731.9
Current Income Tax Liabilities	9	-	-
Other current liabilities	13	17,873,327.9	8,877,847.9
Total current liabilities		**34,430,387.8**	**30,404,008.7**
TOTAL LIABILITIES		**34,368,322.3**	**30,925,249.8**
TOTAL EQUITY AND LIABILITIES		**23,268,225.4**	**17,784,262.8**
	Check --->	**(0.46)**	**0.0**

Summary of Significant Accounting Policies
The above balance sheet should be read in conjunction with the accompanying notes.

Virginia Barnard
Managing Director

PSSA Private Safaris South Africa
Statement of Profit And Loss for the 12 months ended 31 March 2024

Period [April 1,2023 to March 2024]

Currency - ZAR

Particulars	Notes	12 months ended 31 March 2024	12 months ending March 2023
Income			
Revenue from operations	17	135,896,011.7	121,665,915.2
Other income	18(a)	739,143.9	1,191,573.4
Other gains (net)	18(b)	13,652.2	4,485.3
Total income		**136,648,807.8**	**122,861,973.9**
Expenses			
Cost of services		115,272,885.7	103,949,101.3
Employee benefits expense	19	12,296,024.3	10,678,867.1
Finance Cost	22	3,204,407.1	2,570,967.2
Advertisement Expenses		1,287,980.8	1,211,524.5
Depreciation and amortisation expense	20	1,189,821.0	2,129,947.8
Other expenses	21	1,353,404.7	9,770,492.1
Total expenses		**134,604,523.7**	**130,310,900.0**
Profit before exceptional item		**2,044,284.0**	**(7,448,926.1)**
Add Exceptional items:		-	-
Less Exceptional items:		-	-
(Loss)/Profit before tax		**2,044,284.0**	**(7,448,926.1)**
Less : Tax expense			
Current tax	23	54,000.0	-
Deferred tax	23	-	-
Total tax expenses		**54,000.0**	**-**
(Loss)/Profit for the year (A)		**1,990,284.0**	**(7,448,926.1)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations			
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		**-**	**-**
Total comprehensive income for the year (A+B)		**1,990,284.0**	**(7,448,926.1)**
Earnings/(Loss) per equity share (Face value of INR 1 each)	34		
- Basic earnings/(loss) per share		-	-
- Diluted earnings/(loss) per share		-	-

Summary of Significant Accounting Policies **2**
The above statement of profit and loss should be read in conjunction with the accompanying notes.

PSSA Private Safaris South Africa
Balance Sheet as at 31st March, 2024

Particulars	Notes	As at 31st March, 2024 (Currency - ZAR)	As at 31st March 2023
ASSETS			
Non-current assets:			
Property, plant and equipment	3	1,203,905.9	521,914.2
Capital work-in-progress	3	-	-
Goodwill	4	-	-
Other intangible Assets	4	274,272.2	275,434.5
Right of Use Assets	4(a)	3,085,725.1	4,067,274.1
Intangible assets under development			
Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	-	-
Financial assets			
- Non current investments	5	-	-
- Loans			
- Other financial assets	6(e)	25,430.4	1,427,905.2
Non-current bank balances			
Others			
Other non-current assets	7	-	-
Non Current Income Tax assets	9	-	221,271.1
Deferred tax assets (net)	16	-	-
Total non-current assets		**4,589,333.6**	**6,513,799.1**
Current assets:			
Inventories		-	103,232.3
Financial assets			
- Investments	6(a)	-	-
- Trade receivables	6(b)	15,575,681.1	15,798,230.1
- Cash and cash equivalents	6(c)	13,413,827.3	9,896,208.0
- Bank balances other than cash and cash equivalents	6(d)	-	-
- Other financial assets	6(e)	848,288.2	8,363,269.5
Current Tax Assets (Net)			
Other current assets	8	42,107,640.9	20,046,997.5
Total current assets		**71,945,437.5**	**54,207,937.3**
TOTAL ASSETS		**76,534,771.1**	**60,721,736.5**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	500,000.0	500,000.0
Preference share capital	10(a)	-	-
Other equity			
Share application money pending allotment		-	-
Reserve and surplus	10(b)	(28,709,326.8)	(30,699,610.8)
Total Equity		**(28,209,326.8)**	**(30,199,610.8)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	3,342,626.9	4,180,584.0
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		**3,342,626.9**	**4,180,584.0**
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	19,698,288.6	23,766,915.3
- Trade payables	11(d)	29,616,167.1	32,290,477.1
- Other financial liabilities	11(c)	1,707,641.2	2,634,509.7
Provisions	14	2,109,915.3	1,707,528.9
Employee Benefit Payable	15	366,814.5	282,609.9
Current Income Tax Liabilities	9	-	-
Other current liabilities	13	47,902,644.5	26,058,722.3
Total current liabilities		**101,401,471.2**	**86,740,763.3**
TOTAL LIABILITIES		**104,744,098.1**	**90,921,347.3**
TOTAL EQUITY AND LIABILITIES		**76,534,771.2**	**60,721,736.5**
	Check --->	**(0.2)**	**2.4**

Summary of Significant Accounting Policies
The above balance sheet should be read in conjunction with the accompanying notes.

Virginia Barnard
Managing Director

PRIVATE SAFARIS (EAST AFRICA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	: Madhavan Karunakaran Menon (Indian) : Alexander Andor Spiro (Swiss)
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	: 2nd floor, Oilibya Plaza : Muthaiga : P.O. Box 16913, 00620 : NAIROBI
INDEPENDENT AUDITOR	: PKF Kenya LLP : Certified Public Accountants : P.O. Box 14077, 00800 : NAIROBI
COMPANY SECRETARIES	: Scribe Services Secretaries : Certified Public Secretaries : 20th floor, Lonrho House : Standard Street : P.O. Box 3085, 00100 : NAIROBI
PRINCIPAL BANKERS	: Citibank N.A. : NAIROBI : Standard Chartered Bank Kenya Limited : NAIROBI

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of the company.

PRINCIPAL ACTIVITY

The principal activity of the company is that of tour operations.

BUSINESS REVIEW

During the year 2023 the total revenue of the company increased from Shs. 1,590,495,145 to Shs. 2,147,149,832. This increase is mainly as a result of more bookings in the current year.

Key performance indicators	**2023**	**2022**
Turnover (Shs '000)	2,147,150	1,590,495
Gross profit (Shs '000)	343,647	266,045
Gross profit margin (%)	16%	17%
Profit for the year (Shs '000)	127,891	111,549
EBITDA (Shs '000)	208,238	122,545

PRINCIPAL RISKS AND UNCERTAINTIES

Kenya's economy is the largest in East and Central Africa and has experienced considerable growth in the past few years with average growth rate of over 5 percent. Although the economy remains small by global standards, it is distinguished from most African countries by the fact that it is one of the most diversified and advanced.

Political stability
The country experienced continued political stability throughout the year. The tourism environment has enjoyed the stability and consequently contributed to the recorded growth.

Security situation
The security situation remained stable in the year with sustained investment in the same by the Government.

In addition to the business risks discussed above, the company's activities expose it to a number of financial risks which are described in detail in Note 20 to the financial statements.

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2022: Nil).

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

(a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and

(b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

TERMS OF APPOINTMENT OF THE AUDITOR

PKF Kenya LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The director monitors the effectiveness, objectivity and independence of the auditor. The director also approves the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fee.

BY ORDER OF THE BOARD

DIRECTOR

April 2, 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the company; that disclose, with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements of the company that comply with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. Selecting and applying appropriate accounting policies; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The directors confirm that the financial statements give a true and fair view of the financial position of the company as at 31 December 2023 and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on April 2, 2024 and signed on its behalf by:

DIRECTOR

DIRECTOR

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PRIVATE SAFARIS (EAST AFRICA) LIMITED

Opinion

We have audited the financial statements of Private Safaris (East Africa) Limited set out on pages 8 to 35, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

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

Other information

The directors are responsible for the other information. The other information comprises the report of the directors and schedule of direct costs and expenditure but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PRIVATE SAFARIS (EAST AFRICA) LIMITED (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PRIVATE SAFARIS (EAST AFRICA) LIMITED (CONTINUED)

Report on other matters prescribed by the Companies Act, 2015

In our opinion, the information given in the report of the directors on pages 2 and 3 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this report of the independent auditor is CPA Ritesh Haresh Mirchandani, Practising certificate No 1631

Ritesh Mirchandani

For and behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya

24 April **2024**

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PKF Kenya LLP, LLP-8519PL, Kalamu House, Grevillea Grove, Westlands, P O. Box 14077, 00800, Nairobi, Kenya. +254 20 4270000 +254 732 144000
Email: pkfnbi@ke.pkfea.com

STATEMENT OF PROFIT OR LOSS

	Notes	2023 Shs '000	2022 Shs '000
Revenue from contracts with customers	1	2,147,150	1,590,495
Cost of sales		(1,803,503)	(1,324,450)
Gross profit		343,647	266,045
Other operating income	2	30	1,953
Interest income earned from fixed deposits		6,236	652
Net impairment (loss) on financial and contract assets	20 (b)	(3,049)	(5,084)
Net impairment (loss) on intangible assets		(9,900)	-
Administrative expenses		(114,125)	(133,451)
Other operating expenses		(32,196)	(26,624)
Operating profit	3	190,644	103,491
Finance costs	5	(1,518)	(2,967)
Profit before tax		189,126	100,524
Tax	6	(61,235)	11,025
Profit for the year		127,891	111,549
Earnings per share			
- basic and diluted (Shs.)	7	41	36

The notes on pages 12 to 35 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2023 Shs '000	2022 Shs '000
CAPITAL EMPLOYED			
Ordinary share capital	8	62,500	62,500
Preference share capital	8	293,770	293,770
Retained earnings		(20,002)	(147,893)
Shareholders' funds		336,268	208,377
Non-current liabilities			
Lease liabilities	9	5,014	2,113
		341,282	210,490
REPRESENTED BY			
Non-current assets			
Deferred tax	10	65,183	124,547
Property and equipment	11	4,213	11,779
Intangible assets	12	578	8,615
Right-of-use assets	13	13,191	6,576
		83,165	151,517
Current assets			
Inventories	14	1,902	2,918
Trade and other receivables	15	243,020	75,740
Cash and cash equivalents	16	336,114	232,095
Tax recoverable		46,997	48,067
		628,033	358,820
Current liabilities			
Trade and other payables	17	361,127	294,814
Lease liabilities	9	8,789	5,033
		369,916	299,847
Net current assets		258,117	58,973
		341,282	210,490

The financial statements on pages 8 to 35 were approved and authorised for issue by the Board of Directors on April 2, 2024 and were signed on its behalf by:

______________________ DIRECTOR ______________________ DIRECTOR

The notes on pages 12 to 35 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital Shs '000	Preference share capital Shs '000	Retained earnings Shs '000	Total Shs '000
Year ended 31 December 2022				
At start of year	62,500	293,770	(259,442)	96,828
Profit for the year	-	-	111,549	111,549
At end of year	62,500	293,770	(147,893)	208,377
Year ended 31 December 2023				
At start of year	62,500	293,770	(147,893)	208,377
Profit for the year	-	-	127,891	127,891
At end of year	62,500	293,770	(20,002)	336,268

The notes on pages 12 to 35 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CASH FLOWS

	Notes	2023 Shs '000	2022 Shs '000
Operating activities			
Cash from operations	18	109,599	204,826
Interest accrued and paid on lease liabilities	9	(1,518)	(1,556)
Tax paid		(801)	(228)
Net cash generated from operating activities		107,280	203,043
Investing activities			
Cash paid for purchase of property and equipment	11	(1,269)	(1,521)
Cash paid for purchase of intangible assets	12	(79)	(8,518)
Interest received		6,236	652
Proceeds from disposal of property and equipment		38	1,910
Net cash generated from/(used in) investing activities		4,927	(7,478)
Financing activities			
Payment of lease liabilities	9	(8,288)	(7,993)
Proceeds from borrowings		-	(38,471)
Net cash (used in) financing activities		(8,288)	(46,464)
Increase in cash and cash equivalents		103,919	149,101
Movement in cash and cash equivalents			
At start of year		232,095	83,271
Increase		103,919	149,101
Effect of exchange rate changes		100	(277)
At end of year	16	336,114	232,095

The notes on pages 12 to 35 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

MATERIAL ACCOUNTING POLICY INFORMATION

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

These financial statements comply with the requirements of the Kenyan Companies Act, 2015. The statement of profit or loss and other comprehensive income represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

The financial performance of the company is set out in the report of the directors and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position. Disclosures in respect of risk management are set out in Note 20 and disclosures in respect of capital management are set out in Note 21.

Going concern

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

New standards, amendments and interpretations adopted by the company

The company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policy information and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the company's financial statements.

Amendments to IAS 8 'Definition of Accounting Estimates'

The amendments introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the company's financial statements.

Amendments to IAS 12 'Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the company's financial statements.

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) **Basis of preparation (continued)**

New standards, amendments and interpretations adopted by the company (continued)

IFRS 17 'Insurance Contracts' - The new standard had no impact on the company's financial statements.

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants (issued in January 2020, amended in October 2022), effective for annual periods beginning or after 1 January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

  The company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- Amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements' (issued in May 2023), effective for annual reporting periods beginning on or after 1 January 2024, clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

- Amendment to IAS 21 'Lack of Exchangeability' (issued in August 2023), Effective for annual periods beginning on or after 1 January 2025, specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

- Amendment to IFRS 16 'Lease Liability in a Sale and Leaseback' (issued in September 2022), effective for annual periods beginning on or after 1 January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.

Except where indicated above, the directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The company plans to apply the changes above, if applicable, from their effective dates.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) **Basis of preparation (continued)**

b) **Significant accounting judgements, estimates and assumptions**

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

- **Measurement of expected credit losses (ECL):**

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing company's of similar financial assets for the purposes of measuring ECL.

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

The ECL model applied for financial assets other than trade receivables and contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- **Stage 1** - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

- **Stage 2** - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) **Significant accounting judgements, estimates and assumptions (continued)**

- **Measurement of expected credit losses (ECL): (continued)**

  - **Stage 3** - When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

  Assessment of significant increase in credit risk: The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The company uses these guidelines in determining the staging of its assets unless there is persuasive evidence available to rebut these presumptions.

  Provision for expected credit losses of trade receivables and contract assets

  The company uses a provision matrix to calculate ECLs for trade receivables and contract assets.

  The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type, rating and coverage by letters of credit and other forms of credit insurance).

  The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

  The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- **Useful lives, depreciation methods and residual values of property and equipment, intangible assets and right-of-use assets**

  Management reviews the useful lives, depreciation methods and residual values of the items of property and equipment, intangible assets and right-of-use on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amount of property and equipment, intangible assets and right-of-use assets are disclosed in notes 11, 12 and 13, respectively.

- **Accounting for leases under IFRS 16**

  Management has made various judgements and estimates under IFRS 16 as detailed below:

  Incremental borrowing rate: To determine the incremental borrowing rate, the company:
  - where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
  - uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing; and
  - makes adjustments specific to the lease, e.g. term, country, currency and security.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) **Significant accounting judgements, estimates and assumptions (continued)**

- **Accounting for leases under IFRS 16 (continued)**

  Lease term/period: 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).

  For leases of offices and stores, the following factors are normally the most relevant:
  - If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
  - If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
  - Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

  The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

  The carrying amounts of lease liabilities and right-of-use assets are disclosed in Notes 9 and 13, respectively

c) **Revenue recognition**

The company recognises revenue from direct sales of tour operations. The company recognises revenue as and when it satisfies a performance obligation by transferring control of a service to a customer. The amount of revenue recognised is the amount the company expects to receive in accordance with the terms of the contract and excludes amounts collected on behalf of third parties.

Direct sales of tour operations
The company's revenue is measured as the aggregate amount of gross revenue receivable from inclusive tours, airline travel services, hotel services, travel agency commissions and other travel services supplied to customers in the ordinary course of business. The company records revenue on a net basis after deducting discounts and rebates.

Other income

Interest income is recognised on a time proportion basis using the effective interest method. Once a financial asset is identified as credit-impaired, the effective interest rate is applied to the amortised cost (net of impairment losses) in subsequent reporting periods.

d) **Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 at the dates of the initial transactions.

The resulting differences from settlement and translation of monetary items are dealt with in profit or loss in the year in which they arise.

e) **Financial instruments**

Financial instruments are recognised when, and only when, the company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) **Financial instruments (continued)**

- ***Financial assets***

All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

The company's financial assets which include cash and bank balances and trade and other receivables fall into the following categories:

- **Amortised cost:**
  Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

At initial recognition of a financial asset, the company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the company has not identified a change in its business models.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the company has transferred substantially all risks and rewards of ownership, or when the company has no reasonable expectations of recovering the asset.

Financial instruments that are subsequently measured at amortised cost are subject to impairment.

Impairment

Debt instruments that are subsequently measured at amortised cost.

The company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost:

- Cash and cash equivalents
- Trade and other receivables.
- Contract assets
- Other financial assets

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) **Financial instruments (continued)**

Impairment (continued)

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the reporting date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

- ***Financial liabilities***

All financial liabilities are classified and measured at amortised cost.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the company's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the company does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

- **Offsetting financial instruments**

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

f) **Property and equipment**

All property and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

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

Depreciation is calculated on a straight line basis to write down the cost of each asset, to its residual value over its estimated useful life as follows:

	Rate %
Leasehold improvements	20%
Furniture and fittings	20%
Motor vehicles	20%
Computers equipment	33%

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

f) **Property and equipment (continued)**

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit.

g) **Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

i) **Computer software**

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be five years.

Capital work in progress is not depreciated.

ii) **Trade marks**

Trade marks are shown at historical cost. Trade marks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period of five years to allocate the cost of trademarks over their estimated useful lives.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset is recognised in profit or loss.

h) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on direct purchase value. Net realisable value is the estimate of the selling price in the ordinary course of business less the selling expenses.

i) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

j) **Taxation**

The tax expense for the year comprises current and deferred tax and is recognised in profit or loss.

Current tax
Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax
Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilised.

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

The company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

k) **Retirement benefit obligations**

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

The company operates a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The scheme is administered by an insurance company. The company's contributions to the defined contribution staff retirement benefit scheme are charged to profit or loss in the year to which they relate. The company has no further payment obligations once the contributions have been paid.

l) **Impairment of non-financial assets and intangible assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

m) **Accounting for leases**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company as a lessee:

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the company's incremental borrowing rate is used.

For leases that contain non-lease components, the company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the company at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

n) **Employee entitlements**

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

o) **Share capital**

Ordinary shares are classified as equity.

p) **Comparatives**

There were no changes in presentation in the current year.

NOTES (CONTINUED)

	2023 Shs '000	2022 Shs '000
1. Revenue from contracts with customers		
Sale of safari packages	2,147,150	1,590,495

2. Other operating income

	2023 Shs '000	2022 Shs '000
Gain on disposal of property and equipment	30	1,909
Other income	-	44
	30	1,953

3. Operating profit

The following items have been charged in arriving at the operating profit:

	2023 Shs '000	2022 Shs '000
Depreciation on property and equipment (Note 11)	8,828	10,556
Amortisation of intangible assets (Note 12)	437	395
Depreciation on right of use assets (Note 13)	8,329	8,103
Staff costs (Note 4)	136,823	103,473
Director's remuneration	18,719	14,455
Auditors' remuneration		
- current year	1,290	1,290
- under provision in prior years	382	165
Repairs and maintenance	7,437	4,418

4. Staff costs

	2023 Shs '000	2022 Shs '000
Salaries and wages	119,116	91,674
Other staff costs	16,700	11,631
Post-employment benefits:		
- National Social Security Fund	1,007	168
	136,823	103,473

The average number of persons employed during the year, by category, were:	2023 No	2022 No
Management and administration	83	76

5. **Finance costs**	2023 Shs '000	2022 Shs '000
Lease liabilities interest (Note 9)	1,518	1,556
Interest expense on shareholder's loan (Note 19)	-	1,411
Total finance costs	1,518	2,967

NOTES (CONTINUED)

6. Tax

	2023 Shs '000	2022 Shs '000
Current tax	1,871	196
Deferred tax charge/(credit) (Note 10)	59,364	(11,221)
	61,235	(11,025)

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:

	2023 Shs '000	2022 Shs '000
Profit before tax	189,126	100,524
Tax calculated at a tax rate of 30% (2022: 30%)	56,738	30,157
Tax effect of:		
- expenses not deductible for tax purposes	4,497	1,665
- effect of deferred tax previously not recognised now recognised (Note 10)	-	(42,847)
Tax charge/(credit)	61,235	(11,025)

7. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2023 Shs	2022 Shs
Profit attributable to equity holders (Shs.)	127,891,000	111,549,000
Weighted average number of ordinary shares (Number)	3,125,000	3,125,000
Earnings per share (Shs).	41	36

8. Share capital

	2023 Shs '000	2022 Shs '000
Authorised:		
3,250,000 (2022: 3,250,000) ordinary shares of Shs. 20 each	65,000	65,000
2,937,695 (2022: 2,937,695) 6% non-cumulative redeemable preference shares of Shs. 100 each	293,770	293,770
	358,770	358,770
Issued and fully paid:		
3,125,000 (2022: 3,125,000) ordinary shares of Shs. 20 each	62,500	62,500
2,937,695 (2022: 2,937,695) 6% non-cumulative redeemable preference shares of Shs. 100 each	293,770	293,770
	356,270	356,270

The preference shares are non-cumulative and only redeemable within a period of 20 years from the issue date (being 21 December 2017) if the company has not exercised its option to convert such shares to ordinary equity before such period elapses. The company holds the option for conversion of such shares at a predetermined number and valuation at any time over this period.

9. Lease liabilities

	2023 Shs '000	2022 Shs '000
Non-current	5,014	2,113
Current	8,789	5,033
	13,802	7,146

Reconciliation of lease liabilities arising from financing activities:

	2023 Shs '000	2022 Shs '000
At start of year	7,146	15,139
Interest charged to profit or loss (Note 5)	1,518	1,556
Cash flows:		
- Amounts financed through leases	14,944	-
- Payments under leases	(9,806)	(9,549)
At end of year	13,802	7,146

Lease liabilities are unsecured.

The leases expiring within one year are subject to review at various dates during the next financial year.

The exposure of the company's leases to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	2023 Shs '000	2022 Shs '000
6 months or less	4,141	4,419
6 - 12 months	4,648	614
1 - 2 years	5,014	2,113
	13,802	7,146

Weighted average effective interest rates at the reporting date was:	2023 %	2022 %
Lease liabilities	11.5% - 14%	11.5% - 14%

The carrying amounts of the company's lease liabilities are denominated in Kenya Shillings.

Maturity based on the repayment structure of lease liabilities is as follows:

Gross lease liabilities - minimum lease payments	2023 Shs '000	2022 Shs '000
Not later than 1 year	10,236	5,599
Later than 1 year and not later than 5 years	5,281	2,474
Total gross lease	15,516	8,073
Future interest expense on leases liabilities	(1,714)	(927)
Present value of lease liabilities	13,802	7,146

10. **Deferred tax**

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2022: 30%). The movement on the deferred tax account is as follows:

	2023 Shs '000	2022 Shs '000
At start of year	(124,547)	(113,326)
Charge/(credit) to profit or loss (Note 6)	59,364	(11,221)
At end of year	(65,183)	(124,547)

Deferred tax (assets) in the statement of financial position and deferred tax (credit)/charge to profit or loss are attributable to the following items:

	At start of year Shs '000	(Credit)/charge to profit or loss Shs '000	At end of year Shs '000
Year ended 31 December 2023			
Property and equipment	(6,354)	(808)	(7,162)
Impairment loss	(2,523)	(1,443)	(3,966)
General provisions	(4,443)	888	(3,555)
Unrealised foreign exchange differences	5,035	17,974	23,009
Tax losses	(116,262)	42,753	(73,509)
Net deferred tax (asset)	(124,547)	59,364	(65,183)
Year ended 31 December 2022			
Property and equipment	(5,518)	(836)	(6,354)
Impairment loss	(1,339)	(1,184)	(2,523)
General provisions	(2,741)	(1,702)	(4,443)
Unrealised foreign exchange differences	1,301	3,734	5,035
Tax losses	(147,876)	31,614	(116,262)
Deferred tax assets previously not recognised now recognised	42,847	(42,847)	-
Net deferred tax (asset)	(113,326)	(11,221)	(124,547)

NOTES (CONTINUED)

11. **Property and equipment**

Year ended 31 December 2023

	Leasehold improvements Shs '000	Furniture and fittings Shs '000	Motor vehicles Shs '000	Computer equipment Shs '000	Total Shs '000
Cost					
At start of year	46,522	19,009	79,193	46,601	191,324
Additions	-	-	-	1,269	1,269
Disposals	-	-	-	(19)	(19)
At end of year	46,522	19,009	79,193	47,851	192,574
Accumulated depreciation					
At start of year	45,890	18,922	69,567	45,166	179,545
Disposals	-	-	-	(11)	(11)
Charge for the year	161	66	7,627	974	8,828
At end of year	46,051	18,988	77,194	46,129	188,361
Net carrying amount	471	21	1,998	1,722	4,213

Year ended 31 December 2022

	Leasehold improvements Shs '000	Furniture and fittings Shs '000	Motor vehicles Shs '000	Computer equipment Shs '000	Total Shs '000
Cost					
At start of year	45,938	19,009	84,673	45,677	195,297
Additions	583	-	-	938	1,521
Disposals	-	-	(5,480)	(14)	(5,494)
At end of year	46,522	19,009	79,193	46,601	191,324
Accumulated depreciation					
At start of year	45,777	18,852	65,787	44,066	174,482
Disposals	-	-	(5,480)	(14)	(5,494)
Charge for the year	112	70	9,260	1,114	10,556
At end of year	45,890	18,922	69,567	45,166	179,545
Net carrying amount	46,522	87	9,625	1,435	11,779

All additions during the year were made through cash payments.

NOTES (CONTINUED)

12. **Intangible assets**

Year ended 31 December 2023	**Trademarks Shs '000**	**Computer software Shs '000**	**Capital work in progress Shs '000**	**Total Shs '000**
Cost				
At start	319	26,797	7,679	34,795
Additions	-	79	-	79
Transfers	-	-	(7,679)	(7,679)
At end of year	319	26,876	-	27,195
Amortisation				
At start of year	92	26,088	-	26,180
Charge for the year	64	373	-	437
At end of year	156	26,461	-	26,617
Net carrying amount	163	415	-	578
Year ended 31 December 2022				
Cost				
At start	186	26,091	-	26,277
Additions	133	706	7,679	8,518
At end of year	319	26,797	7,679	34,795
Amortisation				
At start of year	49	25,736	-	25,785
Charge for the year	43	352	-	395
At end of year	92	26,088	-	26,180
Net carrying amount	227	709	7,679	8,615

Amortisation costs amounting to Shs. 437,233 (2022: Shs. 394,695) are included in other operating expenses.

13. **Right-of use assets**

	Leased buildings	
	2023 Shs '000	**2022 Shs '000**
Cost		
At start of year	19,903	19,903
Additions	14,944	-
At end of year	34,847	19,903
Depreciation		
At start of year	13,327	5,224
Charge for the year	8,329	8,103
At end of year	21,656	13,327
Net carrying amount	13,191	6,576

The company leases offices and stores. The leased offices and stores are typically for periods of between 1 and 2 years, with options to renew. None of the leases contains any restrictions or covenants other than the protective rights of the lessor or carries a residual value guarantee.

13. **Right-of use assets (continued)**

In the statement of cash flows, the amount for payments for right-of-use assets represents:

	Shs '000	Shs '000
Additions, as above	14,944	-
Less: amounts financed through lease liabilities	(14,944)	-
	-	-

For information on the related lease liabilities, see Note 9.

14. **Inventories**	Shs '000	Shs '000
Park tickets	1,902	2,918

15. **Trade and other receivables**

Trade receivables	149,695	32,074
Less: impairment provisions	(13,218)	(8,410)
Net trade receivables	136,476	23,664
Prepayments	5,313	659
Other receivables	100,925	47,876
Amount due from related parties (Note 19)	306	3,541
	243,020	75,740

		2023			2022	
	Gross amount Shs '000	ECL allowance Shs '000	Carrying amount Shs '000	Gross amount Shs '000	ECL allowance Shs '000	Carrying amount Shs '000
Trade receivables	149,695	(13,218)	136,476	32,074	(8,410)	23,664
Prepayments	5,313	-	5,313	659	-	659
Other receivables	100,925	-	100,925	47,876	-	47,876
Amount due from related parties	306	-	306	3,541	-	3,541
	256,239	(13,218)	243,020	84,150	(8,410)	75,740

The carrying amounts of the company's trade and other receivables are denominated in the following currencies:

	2023 Shs '000	2022 Shs '000
Kenya Shillings	93,053	40,124
Dollars	146,342	32,714
Euros	3,625	2,902
	243,020	75,740

Trade receivables relate to contracts with customers. The carrying amount of trade receivables as at 1 January 2023 was Shs. 23,664,583. The increase in trade receivables in 2023 was as a result of increase in sales.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The company does not hold any collateral as security.

The company's credit risk arises primarily from trade receivables.

16. Cash and cash equivalents

	2023 Shs '000	2022 Shs '000
Cash at bank and in hand	336,114	232,095

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the above.

Expected credit loss provisions amount to Nil (2022: Shs. 1,759,917). An expected credit loss amounting to Nil (2022: Shs. 1,136,741) has been recognised under profit or loss.

The carrying amounts of the company's cash and cash equivalents are denominated in the following currencies:

	2023 Shs '000	2022 Shs '000
Kenya Shillings	22,389	10,975
United States Dollar	304,484	209,494
Euro	7,798	9,864
Great Britian Pound	1,443	1,761
	336,114	232,095

17. Trade and other payables

	2023 Shs '000	2022 Shs '000
Trade payables	94,829	24,297
Accruals for safaris	147,718	165,360
Deferred income	97,216	86,261
Accruals and other payables	18,879	17,581
Amount due to related party (Note 19)	2,485	1,315
	361,127	294,814

The carrying amounts of the company's trade and other payables are denominated in the following currencies:

	2023 Shs '000	2022 Shs '000
Kenya Shillings	269,001	269,261
United States Dollar	86,211	22,507
Euro	3,238	1,747
Indian Rupees	2,256	1,125
South African Rand	421	175
	361,127	294,814

17. **Trade and other payables (continued)**

The maturity analysis of the trade and other payables is as follows:

Year ended 31 December 2023	**Up to 3 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	88,444	6,385	94,829
Accruals for safaris	137,864	9,855	147,718
Deferred income	50,001	47,215	97,216
Accruals and other payables	18,879	-	18,879
Amounts due to related party	2,485	-	2,485
	297,672	63,455	361,127
Year ended 31 December 2022			
Trade payables	23,325	972	24,297
Accruals for safaris	118,990	46,370	165,360
Deferred income	51,026	35,235	86,261
Accruals and other payables	17,581	-	17,581
Amounts due to related party	1,107	208	1,315
	212,029	82,785	294,814

18. **Cash from operations**

Reconciliation of profit before tax to cash from operations:	**2023 Shs '000**	**2022 Shs '000**
Profit before tax	189,126	100,524
Adjustments for:		
Depreciation on property and equipment (Note 11)	8,828	10,556
Depreciation on right-of-use assets (Note 13)	8,329	8,103
Amortisation of intangible assets (Note 12)	437	395
Impairment of intangible assets (Note 12)	7,679	-
Interest expense on lease liabilities (Note 9)	1,518	1,556
(Gain) on disposal of property and equipment	(30)	(1,909)
Interest (income)	(6,236)	(652)
Net foreign exchange (gain) (Note 5)	(100)	277
Changes in working capital:		
- inventories	1,016	(1,622)
- trade and other receivables	(167,281)	(15,597)
- trade and other payables	66,313	103,195
Cash generated from operations	109,599	204,826

NOTES (CONTINUED)

19. **Related party transactions and balances**

The company is controlled by Travel Circle International (Mauritius) Limited incorporated in Mauritius, which owns 100% of the company shares. The ultimate parent company is Travel Circle International (Mauritius) Limited incorporated in Mauritius.

The following transactions were carried out and balances held with related parties:	2023 Shs '000	2022 Shs '000
i) **Sale of goods and services to other related party**	23,092	13,657
ii) **Purchase of goods and services from other related party**	9,320	5,204
iii) **Interest charged on shareholders loan (Note 5)**	-	1,411
iv) **Key management compensation**		
Salaries and other short term benefits - directors	20,207	14,455
v) **Outstanding balances arising from sale and purchase of goods/services/property/other transactions**		
Amount due from related parties (Note 15) - Parent	306	3,541
Amount due to related parties (Note 17) - Other related parties	2,485	1,315

20. **Risk management objectives and policies**

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads.

(a) **Market risk**

- *Foreign exchange risk*

The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Sterling Pound and Euro. The risk arises from future transactions, assets and liabilities in the statement of financial position.

The table below summarises the effect on post-tax profit had the Kenya Shilling weakened by 10% against each currency, with all other variables held constant. If the Kenya Shilling strengthened against each currency, the effect would have been the opposite.

	2023 Shs '000	2022 Shs '000
Effect of profit - increase	27,519	17,002

A 10% sensitivity rate is being used when reporting foreign risk internally to key management personnel and represents managements assessment of the reasonably possible change in foreign exchange rates.

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

(a) **Market risk (continued)**

- *Interest rate risk*

The company's exposure to interest rate risk arises from lease liabilities.

The summary below shows the effect on post-tax profit had the interest rate on interest bearing liabilities increased by 1%. Had the interest rates decreased by the same margin, the effect would have been the opposite.

	2023 Shs '000	2022 Shs '000
Effect on profit - decrease	1,915	1,026

A 1% sensitivity rate is being used when reporting interest risk internally to key management personnel and represents managements assessment of the reasonably possible change in interest rates.

(b) **Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

In assessing whether the credit risk on a financial asset has increased significantly, the company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due.

For these purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the company companys financial assets on the basis of shared credit risk characteristics, such as:
- type of instrument;
- industry in which the debtor operates; and
- nature of collateral.

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

(b) **Credit risk (continued)**

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

- significant financial difficulty of the debtor;
- a breach of contract;
- it is probable that the debtor will enter bankruptcy; and
- the disappearance of an active market for the financial asset because of financial difficulties.

The gross carrying amount of financial assets with exposure to credit risk at the reporting date was as follows:

Basis for measurement of loss allowance	**Lifetime expected credit losses Shs '000**
As at 31 December 2023	
Trade receivables	149,695
Cash and cash equivalents	337,874
Gross carrying amount	487,568
Loss allowance	(13,218)
Exposure to credit risk	474,350
Basis for measurement of loss allowance	
As at 31 December 2022	
Trade receivables	32,074
Cash and cash equivalents	232,718
Gross carrying amount	264,792
Loss allowance	(10,170)
Exposure to credit risk	254,622

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
b) financial assets that are credit impaired at the reporting date; and
c) trade receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

b) **Credit risk (continued)**

The age analysis of the trade receivables at the end of each year was as follows:

	Not past Shs '000	31 - 60 Shs '000	61 - 90 Shs '000	>90 Shs '000	>120 Shs '000	Total Shs '000
As at 31 December 2023	110,573	10,648	19,788	1,677	7,315	150,001
As at 31 December 2022	29,154	(1,995)	4,266	432	3,759	35,616

The changes in the loss allowance during the year were as follows:

	Lifetime expected credit losses		
Basis for measurement of loss allowance **Year ended 31 December 2023**	**Trade receivables Shs '000**	**Cash and cash equivalents Shs '000**	**Total Shs**
At start of year	(8,410)	(1,760)	(10,170)
Changes relating to assets	(4,808)	1,760	(3,048)
At end of year	(13,218)	-	(13,218)
Year ended 31 December 2022			
At start of year	(4,463)	(623)	(5,086)
Changes relating to assets	(3,947)	(1,137)	(5,084)
At end of year	(8,410)	(1,760)	(10,170)

(c) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet obligations as they fall due. The company ensures its inflows and outflows are matched sufficiently to minimise its exposure on liquidity risk.

Notes 17 and 9 disclose the maturity analysis of trade and other payables and lease liabilities respectively.

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The key assumptions made in the maturity profile are:

- changes in interest rates have not been accounted for as these cannot be predicted;
- changes in foreign exchange rates have not been accounted for as these cannot be predicted; and
- the borrowings will be repaid based on the repayment schedule agreed with the lenders.

NOTES (CONTINUED)

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

(c) **Liquidity risk (continued)**

Year ended 31 December 2023	Interest rate %age	Within 1 year Shs '000	Between 1 - 5 years Shs '000	Total Shs '000
Non interest bearing liabilities:				
- Trade and other payables	-	361,127	-	361,127
Interest bearing liabilities				
- Lease liabilities	11.5% - 14%	10,236	5,281	15,516
		371,363	5,281	376,644
Year ended 31 December 2022				
Non interest bearing liabilities:				
- Trade and other payables	-	294,814	-	294,814
Interest bearing liabilities				
- Lease liabilities	11.5% - 14%	5,599	2,474	8,073
		300,413	2,474	302,887

21. **Capital management**

The company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust directors bonuses or dividends paid.

22. **Commitments**

Contractual commitments for the acquisition of assets

At the reporting date these commitments were as follows:

	2023 Shs	2022 Shs
Property and equipment	24,826	-

23. **Incorporation**

Private Safaris (East Africa) Limited is incorporated in Kenya under the Companies Act, 2015 as a private limited liability company and is domiciled in Kenya.

24. **Presentation currency**

The financial statements are presented in Kenya Shillings (Shs).

SCHEDULE OF DIRECT COSTS AND EXPENDITURE

	2023	2022
1. DIRECT COSTS	**Shs '000**	**Shs '000**
Accomodation and meals expenses	1,245,760	970,187
Entrance and parking fees	165,778	119,526
Transport	338,533	192,014
Fuel	7,456	9,358
Repairs and maintenance	7,077	4,127
Drivers' allowance	4,271	4,102
Commission	16,882	11,469
Excursion and transport	12,092	9,239
Spare parts, tyres and tubes expenses	1,821	1,590
Other costs	3,834	2,838
Total direct costs	1,803,503	1,324,450
2. ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages	120,123	91,842
Staff medical	6,008	5,173
Staff training and recruitment	65	45
Other staff costs	10,627	6,413
Total employment costs	136,823	103,473
Other administrative expenses:		
Director's remuneration	18,719	14,455
Promotions and sales support	7,921	3,251
Printing and stationery	1,345	867
Postages and telephones	1,643	2,228
Travelling and entertainment	2,135	3,213
Audit fees:		
- current year	1,672	1,455
- underprovision in prior years	-	11
Computer expenses	13,585	7,191
Management fees	10,827	5,534
Legal and professional fees	1,919	727
Secretarial charges	149	112
Subscriptions	233	281
Bank charges	1,995	1,281
Gifts and donations	100	40
Sales agent fees	6,367	4,984
Miscellaneous expenses	1,280	2,835
Realised exchange (gain)	(15,894)	(1,705)
Unrealised foreign exchange (gain)	(76,695)	(16,782)
Total other administrative expenses	(22,698)	29,978
Total administrative expenses	114,125	133,451

SCHEDULE OF DIRECT COSTS AND EXPENDITURE (CONTINUED)

3. OTHER OPERATING EXPENSES	2023 Shs '000	2022 Shs '000
Establishment:		
Light and water	3,075	2,201
Service charge and parking	4,309	3,374
Licences	3,677	381
Security	290	284
Repairs and maintenance	360	291
Insurance	2,892	1,039
Amortisation of intangible assets	437	395
Depreciation on property and equipment	8,828	10,556
Depreciation on right of use assets	8,329	8,103
Total other operating expenses	32,196	26,624

4. FINANCE COSTS

Interest expense on lease liabilities	1,518	1,556
Interest expense on shareholder's loan	-	1,411
Total finance costs	1,518	2,967

IND AS for DEI-INDIA As at 31-Mar-2024 (Amounts Scaled to ')

Balance Sheet	Note	DEI-INDIA
		INR
ASSETS		
Non-current assets		
Property, plant and equipment	3	3,01,11,806.00
Capital work-in-progress	4(b)	2,03,708.00
Goodwill	4a	-
Other intangible assets	4	17,37,330.00
Intangible assets under development	6(b)	-
Right of use assets	4b	1,11,40,319.00
Investments accounted for using equity method	5	-
Financial assets		
Investments	5	-
Loans	6(d)	-
Other financial assets	6(a)	36,70,000.00
Income tax assets (net)	9	62,876.00
Deferred tax assets (Net)	15	-
Other non-current assets	7	12,322.00
Total non-current assets		**4,69,38,361.00**
Current assets		
Inventories	6	94,23,926.00
Financial Assets		
Investments	5(a)	-
Trade receivables	6(a)	6,47,00,820.00
Cash and cash equivalents	6(b)	86,78,028.00
Bank balances other than cash and cash equivalents	6(c)	-
Loans	6(d)	-
Other financial assets	6(e)	34,46,658.00
Current Tax Assets (Net)	9	-
Other current assets	8	1,91,02,023.00
Total current assets		**10,53,51,455.00**
Total Assets		**15,22,89,816.00**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	10(a)	1,00,000.00
Other equity		
Share application money pending allotment	10(b)	-
Reserves and surplus	10(b)	(20,60,82,678.89)
Total equity		**(20,59,82,678.89)**
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
Borrowings	11(a)	-
Lease liabilities		49,75,249.00
Other financial liabilities	11(c)	-
Provisions	14	35,98,979.00
Total Non-Current Liabilities		**85,74,228.00**
Current liabilities		
Financial Liabilities		
Borrowings	11(b)	-
Lease liabilities		69,62,721.00
Trade payables		
i. Dues of micro enterprises and small enterprises	11(d)	-
ii. Dues of creditors other than micro and small enterprises	11(d)	33,54,42,844.00
Other financial liabilities	11(c)	71,24,795.00
Provisions	14	1,57,578.00
Current tax liabilities (net)	9	-
Other current liabilities	13	10,328.89
Total current liabilities		**34,96,98,266.89**
Total Liabilities		**35,82,72,494.89**
Total Equity and Liabilities		**15,22,89,816.00**

For BDC Digiphoto Imaging Solutions Pvt. Ltd.

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

IND AS for DEI-INDIA For the period year ended 31-Mar-2024 (Amounts Scaled to ')

Statement of Profit and Loss	Note	DEI-INDIA
		INR
Income		
Revenue from operations	16	13,14,03,746.00
Other income	17(a)	7,04,79,169.00
Total Income		**20,18,82,915.00**
Expenses		
Cost of sales and services		6,68,19,109.00
Employee benefits expense	18	8,74,83,160.00
Finance cost	21	27,30,463.00
Advertisement and sales promotion expenses		39,16,488.00
Depreciation and amortisation expense	19	1,61,97,956.00
Other expenses	20	2,82,46,721.00
Total expenses		**20,53,93,897.00**
Profit before exceptional item, share of net profits of investments accounted for using equity method and tax		(35,10,982.00)
Less : Exceptional items	36	-
Profit / (Loss) before tax		**(35,10,982.00)**
Profit/(Loss) before share of net profits of investments accounted for using equity method		**(35,10,982.00)**
Profit/(loss) for the year		**(35,10,982.00)**
Other comprehensive income		
Items that will not be reclassified to profit or loss :		
Remeasuremnt of post-employment benefit obligation		2,44,586.00
Other comprehensive (income) for the year (net of tax)		**2,44,586.00**
Total comprehensive income / (loss) for the year		**(32,66,396.00)**
Earnings per equity share		
Basic earnings per share	33	
Diluted earnings per share		
A. Net profit attributable to :		
Owners		(35,10,982.00)
B. Other comprehensive income attributable to :		
Owners		2,44,586.00

For BDC Digiphoto Imaging Solutions Pvt. Ltd.
Neeraj Goyal
Finance Controller
Director/Authorised Signatory

IND AS for DEI-INDIA As at 31-Mar-2024 (Amounts Scaled to ')

Amounts are in INR

Property, plant and equipment	Furniture and Fixtures	Computer Equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount					
Opening	51,75,683.00	5,94,11,376.00	56,959.00	6,46,44,018.00	41,02,336.20
Additions	12,82,374.00	1,42,28,278.00	5,892.00	1,55,16,544.00	2,03,708.00
Variance	-	-	-	-	-
Closing gross carrying amount	**64,58,057.00**	**7,36,39,654.00**	**62,851.00**	**8,01,60,562.00**	**-**
Accumulated Depreciation					
Opening.	38,25,244.00	3,76,21,664.00	56,959.00	4,15,03,867.00	
Depreciation charge during the year	6,76,115.00	78,68,086.00	687.00	85,44,888.00	
Disposal.	-	-	-	-	
Fx Variance - Acc Dep	-	-	-	-	
Variance - Acc Dep	1.00	-	-	1.00	
Closing accumulated depreciation	**45,01,360.00**	**4,54,89,750.00**	**57,646.00**	**5,00,48,756.00**	
Net carrying amount	**19,56,697.00**	**2,81,49,904.00**	**5,205.00**	**3,01,11,806.00**	**-**

For BDC Digiphoto Imaging Solutions Pvt. Ltd.
Neeraj Goyal
Finance Controller
Director/Authorised Signatory

IND AS for DEI-INDIA As at 31-Mar-2024 (Amounts Scaled to ')

Capital work-in progress	DEI-INDIA
	INR
Balance as at year end	2,03,708.00

Amounts are in INR

Intangible assets	Computer software	Total
Gross carrying amount		
Opening	1,12,58,489.00	1,12,58,489.00
Variance	-	-
Closing gross carrying amount	1,12,58,489.00	1,12,58,489.00
Accumulated amortisation		
Opening.	89,24,426.00	89,24,426.00
Amortisation charge for the year	5,96,733.00	5,96,733.00
Disposals	-	-
Fx Variance - Acc Amort	-	-
Variance.	-	-
Closing accumulated amortisation	95,21,159.00	95,21,159.00
Net Block	17,37,330.00	17,37,330.00

Amounts are in INR

Right of use assets	Building	Office equipments	Total
Gross carrying amount			
Opening	2,08,22,161.46	-	2,08,22,161.46
Variance	4,56,325.54	-	4,56,325.54
Closing gross carrying amount	2,12,78,487.00	-	2,12,78,487.00
Accumulated amortisation			
Opening.	26,25,508.07	-	26,25,508.07
Amortisation charge for the year	70,56,334.00	-	70,56,334.00
Variance.	4,56,325.93	-	4,56,325.93
Closing accumulated amortisation	1,01,38,168.00	-	1,01,38,168.00
Net Block	1,11,40,319.00	-	1,11,40,319.00

For BDC Digiphoto Imaging Solutions Pvt. Ltd.

Neeraj Goyal

Finance Controller

Director/Authorised Signatory

IND AS for DEI-INDIA As at 31-Mar-2024 (Amounts Scaled to ')

Amounts are in INR

Other financial assets	Non-Current	Current
Interest receivable on financial assets	-	4,49,238.00
Security Deposits	36,70,000.00	29,97,420.00
Total other financial assets	**36,70,000.00**	**34,46,658.00**

Other non-current assets	DEI-INDIA
	INR
Prepaid expenses	12,322.00
Total Other Non-Current Assets	**12,322.00**

Inventories	DEI-INDIA
	INR
Raw material, consumables and other supplies	94,23,926.00
Total Inventory	**94,23,926.00**

Trade Receivables	DEI-INDIA
	INR
Trade receivables considered good, unsecured	**6,47,00,820.00**
Total	6,47,00,820.00
Total trade receivables	6,47,00,820.00

Cash and cash equivalents	DEI-INDIA
	INR
Balances with bank	
In current accounts	80,66,427.00
Cash on hand (including foreign currencies - notes and paid documents)	6,11,601.00
Total cash and cash equivalents	**86,78,028.00**

Other Current Assets	DEI-INDIA
	INR
Advance to suppliers	
Considered good - unsecured	7,16,861.00
Advance to employees	
Considered good - unsecured	49,170.00
Prepaid expenses	5,68,542.00
Balances receivable from government authorities	1,77,67,450.00
Total	**1,91,02,023.00**

Income Tax Assets	DEI-INDIA
	INR
Income Tax Assets (net)	**62,876.00**

For BDC Digiphoto Imaging Solutions Pvt. Ltd.

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

IND AS for DEI-INDIA As at 31-Mar-2024 (Amounts Scaled to ')

Equity share capital	DEI-INDIA
	INR
Share Capital	1,00,000.00
Total share capital	**1,00,000.00**

Other Equity	DEI-INDIA
	INR
Retained earnings	(20,60,82,678.89)
Total	**(20,60,82,678.89)**

Reserves and Surplus	DEI-INDIA
	INR
Retained earnings	
Opening balance	(20,56,24,372.89)
Opening Bal - OCI - Defined benefit obligation	28,08,090.00
Opening OCI	28,08,090.00
Opening balance	(20,28,16,282.89)
Opening Retained earning	(20,28,16,282.89)
Add : Profit/ (loss) for the year	(35,10,982.00)
Add : Other comprehensive income, net of tax	2,44,586.00
Closing balance	**(20,60,82,678.89)**
Closing Retained earning (net of NCI)	**(20,60,82,678.89)**
Total Reserves	**(20,60,82,678.89)**
Reserves (Owner's share) carried to Balance sheet	**(20,60,82,678.89)**

For BDC Digiphoto Imaging Solutions Pvt. Ltd.
Neeraj Goyal
Finance Controller
Director/Authorised Signatory

IND AS for DEI-INDIA As at 31-Mar-2024 (Amounts Scaled to ')

Amounts are in INR

Other financial liabilities	Non-Current	Current
Liabilities against expense	-	61,33,251.00
Inter company Payables	-	1.00
Other	-	9,91,543.00
Total other financial liabilities	**-**	**71,24,795.00**

Trade payables	DEI-INDIA
	INR
-Dues of creditors other than micro enterprises and small enterprises	
(iv) Others	33,54,42,844.00
Total Trade Payables	**33,54,42,844.00**

Other Current liabilities	DEI-INDIA
	INR
Advance received from customers for which value is still to be given	10,328.89
Total Other current liability	**10,328.89**

Provisions	Non-Current	Current
Provisions for expenses	(1,57,578.00)	1,57,578.00
Employee benefit obligations	37,56,557.00	-
Total Provisions	**35,98,979.00**	**1,57,578.00**

Employee benefit obligations	Non-Current	Current
Gratuity	37,56,557.00	-
Total employee benefit obligation	**37,56,557.00**	**-**

For BDC Digiphoto Imaging Solutions Pvt. Ltd.
Neeraj Goyal
Finance Controller
Director/Authorised Signatory

IND AS for DEI-INDIA For the period year ended 31-Mar-2024 (Amounts Scaled to ')

Revenue from operations	DEI-INDIA
	INR
Sale of Services	
Imaging solution services	13,14,03,746.00
Total revenue from operations	**13,14,03,746.00**

Other income	DEI-INDIA
	INR
Facilities and Support Services fees	7,03,68,066.00
Miscellaneous income	1,11,103.00
Total other income	**7,04,79,169.00**

Cost of services	DEI-INDIA
	INR
Cost of services	6,68,19,109.00
Total cost of services	**6,68,19,109.00**

Employee benefits expense	DEI-INDIA
	INR
Salaries, wages, bonus	7,62,51,520.00
Contribution to provident and other funds	61,65,443.00
Gratuity and other defined benefit schemes (Refer Note 14 b)	17,20,622.00
Staff Welfare expenses	15,65,853.00
Staff training, recruitment and other costs	11,77,029.00
Incentive to staff	6,02,693.00
Total Employee benefit expense	**8,74,83,160.00**

Depreciation and amortisation expense	DEI-INDIA
	INR
Depreciation on tangible assets	85,44,888.00
Amortization on right of use assets	70,56,335.00
Amortization on intangible assets	5,96,733.00
Total Depreciation and amortization	**1,61,97,956.00**

Other expenses	DEI-INDIA
	INR
Rent	92,500.00
Stores and tools consumed	13,63,589.00
Electricity	8,40,584.00
Repairs to others	5,20,949.00
Insurance charges	1,56,223.00
Rates and taxes	26,683.00
Licence fees	27,58,328.00
Travelling expenses	57,07,262.00
Vehicle and maintenance charges	3,477.00
Communication expenses	13,37,852.00
Net loss on sale of property, plant and equipment	20,355.00
Legal and professional charges	87,71,463.00
Auditors Remunerations	3,08,933.00
Printing and stationery	85,125.00
Exchange loss other than in normal course of business as a foreign exchange dealer	45,52,942.00
Miscellaneous expenses	17,00,456.00
Total other expenses	**2,82,46,721.00**

Finance costs	DEI-INDIA
	INR
Interest on lease liabilities	11,71,297.00
Other finance charges	15,59,166.00
Total finance cost	**27,30,463.00**

For BDC Digiphoto Imaging Solutions Pvt. Ltd.
Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging INC
Balance Sheet as at 31st Dec, 2023

Particulars	Notes	As at 31st Dec, 2023
ASSETS:		
Non-current assets:		
Property, plant and equipment	3	-
Financial assets:-		
'- Other financial assets	4	-
Total non-current assets		-
Current assets:		
Inventories	5	957
Financial assets:-		
- Trade receivables	6(a)	29,440
- Cash and cash equivalents	6(b)	2,783
Other current assets	7	-
Total current assets		**33,180**
TOTAL ASSETS		**33,180**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	8(a)	10,000
Other equity		
Reserve and surplus	8(b)	(89,435)
Total Equity		**(79,435)**
LIABILITIES		
Current liabilities		
Financial liabilities		
- Borrowings	9	-
- Trade payables	10(a)	112,615
- Other financial liabilities	10(b)	-
Employee Benefit Payable		-
Other current liabilities	11	-
Total current liabilities		**112,615**
TOTAL LIABILITIES		**112,615**
TOTAL EQUITY AND LIABILITIES		**33,180**

Neeraj Goyal.
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging INC
Statement of Profit And Loss for the for the year ended as on 31st December, 2023

Particulars	Notes	For the year ended as on Dec 31, 2023
Income		
Revenue from operations	12	147,588
Other gains (net)	13	-
Total income		**147,588**
Expenses		
Cost of services		45,853
Employee benefits expense	14	127,561
Finance Cost	15	70
Advertisement Expenses		-
Depreciation and amortisation expense	16	-
Depreciation - Right of Use Assets - Buildings		-
Other expenses	17	63,539
Total expenses		**237,023**
Profit before exceptional item		**(89,435)**
(Loss)/Profit before tax	-	**(89,435)**
Less : Tax expense		
Current tax		
Deferred tax		
Total tax expenses		
(Loss)/Profit for the year (A)		**(89,435)**
Earnings/(Loss) per equity share (Face value of INR 1 each)		
- Basic earnings/(loss) per share		
- Diluted earnings/(loss) per share		

Neeraj Goyal.
FINANCE CONTROLLER
Director/Authorised Signatory

Digiphoto Entertainment Imaging INC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st D

Note 4: Other financial assets

Particulars	31st Dec, 2023
Security deposits [Loans] - Non current - Unsecured	-
Total	-

Note: 5 Inventories

Particulars	31st Dec, 2023
Raw material, consumables and other supplies	957
Total	**957**

6(a)Trade receivables

Particulars	31st Dec, 2023
Trade receivables	29,440
Less : Allowance for doubtful debts	
Total receivables	**29,440**

6(b) Cash and cash equivalents

Particulars	31st Dec, 2023
Balances with banks :	
In current accounts	2,783
Cash on hand (including foreign currencies- Notes and paid documents)	-
Total Cash and cash equivalents	**2,783**

Note 7: Other Current Assets:

Particulars	31st Dec, 2023
Balances receivables from Govt. authorities	-
Total	-

Neeraj Goyal.
FINANCE CONTROLLER
Director/Authorised Signatory

Digiphoto Entertainment Imaging INC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 8(a) Share Capital and Other Equity:

Particulars	Equity Share Capital# No of Shares (In lakhs)
AUTHORISED	
As at 1st Jan, 2023	
Add: Additional share issue	10,000
Less: Forfeiture of shares	-
As at 31st Dec, 2023	10,000

#Consists of following:
240,000 Equity Shares of 1000/- each

(i) Movement in Equity Share Capital and other capital during the Year

Particulars	Equity share capital No of Shares (In lakhs)
As at 1st Jan, 2022	
Add:Shares allotment as on March 15, 2022	
Less: Share Forfeited	
Add: Addition on account of stock options allotment	
Add: exercise of options-proceeds received	
As at 1st Jan, 2023	-
Less: Share Forfeited	
Add: Additional share issue	
Add: exercise of options-proceeds received	
Add: Additional share issue	
As at 31st Dec, 2023	-

Neeraj Goyal.
FINANCE CONTROLLER
Director/Authorised Signatory

Digiphoto Entertainment Imaging INC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st

Note 8(b) Reserves and surplus

Particulars	31st Dec, 2023
Retained Earnings	(89,435)
Total reserves and surplus	**(89,435)**

(vii) Retained Earnings

Particulars	31st Dec, 2023
Opening Balance [Jan 01, 2023]	-
Net Profit For the period	(89,435)
Closing Balance	**(89,435)**

Neeraj Goyal
FINANCE CONTROLLER

Director/Authorised Signatory

Digiphoto Entertainment Imaging INC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 9: Current Borrowings

Particulars
Unsecured
Loans from Related Parties - Unsecured
Total Current Borrowings

Note 10: Financial Liabilities:

10(a) Other Financial Liabilities

Particulars	31st Dec, 2023	
	Non-Current	Current
Liabilities against expense		-
Interest payable to Related parties		-
Total Other Financial Liabilities		-

10(b)Trade Payables

Particulars	31st Dec, 2023	
	Non-Current	Current
-Dues of micro enterprises and small enterprises		
-Dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances		
(ii) Trade pyable to Related Parties		
(iii) Trade pyable to Inter companies		
(iv) Other Trade Payable		112,615
Total Trade Payables		**112,615**

Note 11: Other Current Liabilities

Particulars
Statutory Dues
Others
Total

Neeraj Goyal
FINANCE CONTROLLER
Director/Authorised Signatory

Digiphoto Entertainment Imaging INC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 12: Revenue from Operations

Particulars	31st Dec, 2023
Sale of Services	147,588
Total	**147,588**

Note 13: Other Income and other gains/(losses)

(b) Other gains (net)

Particulars	31st Dec, 2023
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	
Total	**-**

Note 14: Employee Benefit Expense

Particulars	31st Dec, 2023
Salaries Wages and Bonus	147,060
Staff Welfare Expenses	-19,499
Staff Training, Recruitment and Other Costs	-
Total	**127,561**

Note 15: Finance Costs

Particulars	31st Dec, 2023
Interest and finance charges on financial liabilities not at fair value through profit and loss	-
Other Finance Charges	70
Total	**70**

Note 16: Depreciation and Amortisation Expense

Particulars	31st Dec, 2023
Depreciation on Tangible Assets	-
Total	**-**

Note 17: Other Expenses

Particulars	31st Dec, 2023
Rent	-
Stores and tools consumed	-
Electricity	-
Repairs to Building	-
Repairs to Plant and machinery	-
Rates and Taxes	-
Licence Fees	535
Travelling Expenses	25,968
Vehicle Running and Maintenance Expenses	-
Legal and Professional Charges	34,385
Group Resource Cost [GRC]Expenses	-
Printing and Stationery	-
Communication expenses	-
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	245
Miscellaneous Expenses	2,405
Total	**63,539**

Neeraj Goyal
FINANCE CONTROLLER
Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Management Account for the year ended as on Dec 31, 2023

Currency - USD

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	1	350,936	584,695
Development			
Capital work-in-progress		0	0
Right-Of-Use Assets	2	28,962	72,405
Other intangible Assets	3	9,822	12,712
Financial assets:-			
- Other financial assets		-	-
Other non-current assets		-	-
Total non-current assets		**389,720**	**669,812**
Current assets:			
Inventories	4	459,439	422,790
Financial assets:-			
- Trade receivables	5	1,325,453	3,527,260
- Cash and cash equivalents	6	322,071	1,929,732
- Bank balances other than cash and cash equivalents		-	-
- Other financial assets	7	131,197	128,897
Current Tax Assets (Net)	8	50	50
Other current assets	9	1,926,390	1,287,254
Total current assets		**4,164,601**	**7,295,982**
TOTAL ASSETS		**4,554,322**	**7,965,794**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital		-	-
Other equity			
Reserve and surplus	10	-8,956,226	(7,301,133)
Total Equity		**-8,956,226**	**(7,301,133)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Finance lease liabilities- Non Current	12	-	31,860
Employee Benefit Obligations		-	994
Other non-current liabilities		-	-
Total non-current liabilities		**-**	**32,855**
Current liabilities			
Financial liabilities			
- Borrowings	11	5,728,108	5,263,108
Finance lease liabilities- Current	12	31,860	44,657
- Trade payables	13	6,162,033	6,898,014
- Other financial liabilities	12	1,588,546	1,325,799
Employee Benefit Payable		-	1,267,967
Other current liabilities	14	-	434,527
Total current liabilities		**13,510,547**	**15,234,073**
TOTAL LIABILITIES		**13,510,547**	**15,266,927**
TOTAL EQUITY AND LIABILITIES		**4,554,322**	**7,965,794**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Statement of Profit And Loss for the 12 months ended 31st Dec, 2023

Currency - USD

Particulars	Notes	12 months ended 31st Dec, 2023	12 months ended 31st Dec, 2022
Income			
Revenue from operations	15	12,307,161	16,679,869
Other income	16	1,600,798	14,019
Other gains (net)	16	-612	805
Total income		**13,907,347**	**16,694,693**
Expenses			
Cost of services		**6,261,220**	7,853,245
Employee benefits expense	17	5,922,442	6,319,807
Finance Cost	18	`431,991	501,788
Advertisement Expenses		**2,051**	2,202
Depreciation and amortisation expense	19	229,514	262,249
Depreciation - Right of Use Assets - Buildings	19	43,442	43,443
Other expenses	20	2,671,779	2,407,389
Total expenses		**15,562,439**	**17,390,124**
Profit before exceptional item		**-1,655,093**	**(695,431)**
Add Exceptional items:			
Less Exceptional items:		-	
(Loss)/Profit before tax		**-1,655,093**	**(695,431)**
Less : Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
(Loss)/Profit for the year (A)		**-1,655,093**	**(695,431)**
Other comprehensive income		-	
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations			
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		-	-
Total comprehensive income for the year (A+B)		**-1,655,093**	**(695,431)**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 1: Property, plant and equipment:

Currency - USD

Particulars	Leasehold Improvements	Furniture and Fixtures	Computers	Office equipments	Total
Gross carrying amount					
Opening as at 1st Jan, 2023	57,744	142,279	1,091,310	31,322	1,322,654
Additions	-	119,540	316,411	8,433	444,384
Disposals/transfer		-103,626	(424,208)	-8,433	-536,267
Closing gross carrying amount	**57,744**	**158,193**	**983,512**	**31,322**	**1,230,771**
Accumulated depreciation					
Opening as at1st Jan, 2023	57,074	93,686	577,819	9,381	737,959
Depreciation charge during the year	670	113,668	442,403	11,593	568,334
Disposals		-87,588	(333,542)	-5,328	-426,458
Closing accumulated depreciation	**57,744**	**119,766**	**686,679**	**15,646**	**879,835**
Net carrying amount as at 31st Dec, 2023	**(0)**	**38,427**	**296,833**	**15,676**	**350,936**

2 Leased Assets

Propoerty, Plant and Equipments includes the following amounts where the company is a lessee under a finance lease:

Currency - USD

Particulars	31st Dec, 2023	
	Office Building	Total
Cost/Deemed Cost - Opening	72,405	72,405
Addition	-	-
Disposals/transfer	-	-
Closing gross carrying amount	72,405	72,405
Accumulated Depreciation -Opening	-	-
Depreciation charge during the year	43,443	43,443
Disposals	-	-
Closing accumulated depreciation	43,443	43,443
Net Carrying Amount	28,962	28,962

Note 3: Intangible Assets:

Currency - USD

Particulars	Computer Software
Gross carrying amount	
Opening as at 1st Jan, 2023	21,008
Additions	-
Disposals	
Closing gross carrying amount	**21,008**
Accumulated amortisation	
Opening as at 1st Jan, 2023	8,297
Amortisation charge for the year	2,890
Disposals	
Closing accumulated amortisation	**11,186**
Net carrying amount as at 31st Dec, 2023	**9,822**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

4 Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies	459,439	422,790
Total	**459,439**	**422,790**

5.Trade receivables

Particulars	31st Dec, 2023	31st Dec,2022
Trade receivables	1,325,453	3,527,260
Less : Allowance for doubtful debts	-	-
Total receivables	**1,325,453**	**3,527,260**

6. Cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec,2022
Balances with banks :		
In current accounts	297,015	1,902,416
Cash on hand (including foreign currencies- Notes and paid documents)	25,056	27,316
Total Cash and cash equivalents	**322,071**	**1,929,732**

Note 7: Financial assets

Particulars	31st Dec,2023	31st Dec,2022
Security deposits	131,197	128,897
Total	**131,197**	**128,897**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 8: Non- Current Tax Assets / Current Tax Liabilities:

Particulars	**31st Dec, 2023**	**31st Dec, 2022**
Opening Balance	50	50
Less: Current Tax payable for the year	-	
Add: Taxes Paid	-	
Closing Balances	**50**	**50**

Note 9: Other Current Assets:

Particulars	**31st Dec, 2023**	**31st Dec, 2022**
Advance to Suppliers		
Unsecured, considered good	157,396	1,280,650
Unsecured ,considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advance to Employees	-	-
Unsecured, considered good	1,955	1,800
Unsecured, considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepaid expenses	12,409	4,803
Balances receivables from Govt. authorities	1,754,630	-
Total	**1,926,390**	**1,287,254**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 10 Reserves and surplus

Particulars	31st Dec, 2023	31st Dec, 2022
Retained Earnings	-8,956,226	(7,301,133)
Total reserves and surplus	**-8,956,226**	**(7,301,133)**

Retained Earnings

Particulars	31st Dec, 2023	31st Dec, 2022
Opening Balance	-7,301,133	(6,605,702)
Net Profit For the period	-1,655,093	(695,431)
Closing Balance	**-8,956,226**	**(7,301,133)**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Notes forming part of the Financial Statements as at and for the
12 months ended 31st Dec, 2023

Note 11: Financial Liabilities:

11 Current Borrowings

Particulars	31st Dec, 2023	31st Dec,2022
Unsecured		
Loans to Related Parties- Current - Secured	5,728,108	5,263,108
Total	**5,728,108**	**5,263,108**

12 Other Financial Liabilities

Particulars	31st Dec, 2023		31st Dec,2022	
	Non-Current	Current	Non-Current	Current
Current				
ROU Lease Liability	-	31,860	31,860	44,657
Liabilities against expense	-	6,002	-	593
Interest payable to Related parties	-	1,582,543	-	1,325,206
Total Other Financial Liabilities	**-**	**1,620,406**	**31,860**	**1,370,456**

13Trade Payables

Particulars	31st Dec, 2023	31st Dec, 2022
Other Trade Payable	6,162,033	6,898,014
Total Trade Payables	**6,162,032.8**	**6,898,014**

Note 14: Other Current Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Statutory Dues	-	434,527
Total	**-**	**434,527**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 15: Revenue from Operations

Particulars	31st Dec, 2023	31st Dec, 2022
Sale of Services	12,307,161	16,679,869
Total	**12,307,161**	**16,679,869**

Note 16: Other Income and other gains/(losses)
(a) Other Income

Particulars	31st Dec, 2023	31st Dec, 2022
Miscellaneous Income	1,600,798	14,019
Total	**1,600,798**	**14,019**

(b) Other gains (net)

Particulars	31st Dec, 2023	31st Dec, 2022
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	-612	805
Total	**-612**	**805**

Note 17: Employee Benefit Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Salaries Wages and Bonus	5,525,913	6,153,777
Staff Welfare Expenses	215,847	78,921
Compensated absences	30,228	10,033
Staff Training, Recruitment and Other Costs	150,453	77,076
Total	**5,922,442**	**6,319,807**

Note 18: Finance Costs

Particulars	31st Dec, 2023	31st Dec, 2022
Interest and finance charges on financial liabilities not at fair value through profit and loss	257,337	250,117
Other Finance Charges	171,673	246,268
Interest Expenses ROU Liabilitiy	2,980	5,403
Total	**431,991**	**501,788**

Note 19: Depreciation and Amortisation Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Depreciation on Tangible Assets	226,624	259,334
Amortisation on Intangible Assets	2,890	2,915
Depreciation and amortisation expense	43,442	43,443
Total	**272,956**	**262,249**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imagining LLC
Management Accounts for the year ended as on Dec 31, 2023

Currency - AED

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
ASSETS:			
Non-current assets:			
Property,Plant & Equipment		11,375,568	9,426,456
Right-Of-Use Assets		9,093,605	659,437
Intangible assets under development		11,235,901	2,519,731
Financial assets at amortised cost	1	22,528,252	20,699,915
Total non-current assets		54,233,326	33,305,539
Current assets:			
Inventories	2	4,929,583	4,420,219
Trade receivables	3	22,195,031	6,515,956
Cash and cash equivalents	4	2,868,809	5,997,020
Other financial assets	1	100,599,878	92,148,596
Other current assets	5	2,226,895	4,683,117
Total current assets		132,820,196	113,764,908
TOTAL ASSETS		**187,053,522**	**147,070,447**
LIABILITIES			
Non-current liabilities			
Lease liabilities	6	1,850,539	124,899
Employee end of service benefits		4,092,170	3,332,832
Total non-current liabilities		5,942,709	3,457,731
Current liabilities			
Lease liabilities	6	7,734,966	479,279
Trade and other payables	7	23,918,968	35,989,511
Other current liabilities	8	918	57,843
Financial liabilities at amortised cost	9	129,622,631	100,423,278
Total current liabilities		161,277,482	136,949,911
Total liabilities		**167,220,191**	**140,407,642**
NET ASSETS/(LIABILITIES)		**19,833,331**	**6,662,805**
EQUITY			
Shareholder's loan			
Share capital		300,000	300,000
Statutory reserve		150,000	150,000
Fair Value Reserve		-128,491	-128,491
Retained earnings		19,511,822	6,341,296
EQUITY		**19,833,331**	**6,662,805**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imagining LLC
Management of Statement of Profit And Loss for theperiod ended Dec 31, 2023

Currency - AED

Particulars	**Notes**	**Year ended as on Dec 31, 2023**	**Year ended as on Dec 31, 2023**
Revenue from operations	15	176,186,049	173,250,444
Cost of services	16	-117,066,594	-115,663,828
Gross profit		**59,119,455**	**57,586,616**
Other Income	17	14,497,978	11,478,473
Distribution cost	18	-551,247	-552,707
Other administrative expenses	19	-52,468,800	-48,059,400
Operating Profit		**20,597,385**	**20,452,982**
Finance cost	20	-8,418,139	-4,633,123
Finance income	21	991,280	1,071,181
Profit from continuing operations		**13,170,526**	**16,891,040**
Profit for the year		**13,170,526**	**16,891,040**
Attributable to,			
Partners of the Company		13,170,526	16,891,040
Non controlling interest			
Profit for the year		13,170,526	16,891,040
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		-	-
Total comprehensive income for the year (A+B)		**13,170,526**	**16,891,040**
Attributable to,			
Partners of the Company		13,170,526	16,891,040
Non controlling interest		-	-
		13,170,526	**16,891,040**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imagining LLC
Notes forming part of the Financial Statements as at and for the year ended Dec 31, 2023

1 Financial Assets at Amortised Cost

Long term financial assets at amortised cost

Particulars	As at December 31, 2023	As at December 31, 2022
Margin Deposit	976,930	9,792,350
Deposit	1,326,898	1,685,985
Loan to related party	20,224,424	9,221,580
Total	22,528,252.4	20,699,915.0

Short term financial assets at amortised cost

Particulars	As at December 31, 2023	As at December 31, 2022
Due from related parties	96,959,899	84,969,536
Interest Receivable	1,845,032	-
Other receivable	1,794,946	7,179,060
Total	100,599,878	92,148,596

2 Inventories

Particulars	As at December 31, 2023	As at December 31, 2022
Goods in trade	4,929,583	4,420,219
Goods in transit	-	
Total	4,929,583	4,420,219

3 Trade Receivables

Particulars	As at December 31, 2023	As at December 31, 2022
Trade Receivables	22,195,031	6,515,956
Total	22,195,031	6,515,956

4 Cash and Bank Balances

Particulars	As at December 31, 2023	As at December 31, 2022
Cash in hand	304,428	387,768
Balance with banks in:		
Current account	2,564,381	5,609,252
Total	2,868,809	5,997,020

5 Other Assets

Particulars	As at December 31, 2023	As at December 31, 2022
Advance to Supplier	537,726	1,592,811
Prepayments	1,669,369	2,312,911
Advances to employees	19,800	777,395
Total	2,226,895	4,683,117

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imagining LLC
Notes forming part of the Financial Statements as at and for the year ended Dec 31, 2023

6 Lease liabilities

Particulars	As at December 31, 2023	As at December 31, 2022
Long term lease liabilities	1,850,539	124,899
Short term Lease liability	7,734,966	479,279
Total	**9,585,505**	**604,178**

7 Trade and Other Payables

Particulars	As at December 31, 2023	As at December 31, 2022
Account payables	11,497,921	24,121,974
Accruals	11,725,478	11,147,170
VAT payable	695,569	720,367
Total	**23,918,967.5**	**35,989,511.0**

8 Other Liabilities

Particulars	As at December 31, 2023	As at December 31, 2022
Advance from customers	918	57,843
Total	**918**	**57,843**

9 Financial Liabilites at Amortised Cost

Particulars	As at December 31, 2023	As at December 31, 2022
Due to related parties	34,123,067	1,879,087
Due to manager	10,713,577	10,713,577
Interest Payables	14,192,759	9,692,661
Loan from related parties	70,593,227	78,137,953
Total	**129,622,631**	**100,423,278**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imagining LLC
Notes forming part of the Financial Statements as at and for the year ended Dec 31, 2023

15 Revenue from Operations

Particulars	Year ended as on December 2023	Year ended as on December 2022
Sales	176,186,049	173,250,444
Total	**176,186,049**	**173,250,444**

16 Cost of revenue

Particulars	Year ended as on December 2023	Year ended as on December 2022
Inventory as at beginning of the year	-	2,996,529
Purchase	11,190,467	12,303,370
Direct Staff Salary	8,372,655	8,433,521
Commission paid (note)	97,503,472	96,110,001
Inventory as at end of year	-	-4,179,593
Total	**117,066,594**	**115,663,828**

17 Other Income

Particulars	Year ended as on December 2023	Year ended as on December 2022
Central service fee received	14,576,185	11,236,378
Other Income	-78,207	224,228
Profit on sale of fixed assets	-	17,867
Total	**14,497,978**	**11,478,473.0**

18 Distribution cost

Particulars	Year ended as on December 2023	Year ended as on December 2022
Selling expenses	358,737	552,707
Marketing	192,510	
Total	**551,247**	**552,707**

19 Other administrative expenses

Particulars	Year ended as on December 2023	Year ended as on December 2022
Rent	1,025,133	3,886,874
Payroll and related expenses	22,390,698	23,210,666
Depreciation on property, plant and equipment	2,487,302	3,908,737
Depreciation on right-of-use asset	1,447,700	949,362
Amortisation of intangible assets	1,656,547	-
Other expenses	23,461,420	16,103,761
Total	**52,468,800**	**48,059,400**

20 Finance Costs

Particulars	Year ended as on December 2023	Year ended as on December 2022
Finance cost	7,989,564	4,550,484
Interest Expenses ROU Liabilitiy	428,575	82,639
Total	**8,418,139**	**4,633,123**

21 Finance Income

Particulars	Year ended as on December 2023	Year ended as on December 2022
Interest income	991,280	1,029,643
Foreign exchange gain		41,538
Total	**991,280**	**1,071,181**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Malaysia
Balance Sheet as at 31st Dec, 2023

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Currency - MYR

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	19,69,374	14,31,675
Development			
Capital work-in-progress	3	-	-
Right-Of-Use Assets		2,21,689	53,343
Goodwill	4	-	-
Other Intangible Assets, net	4	-	-
Intangible assets under development		-	-
Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	-	-
Financial assets:-			
- Non current investments	5	-	-
- Loans		5,96,442	6,56,963
- Other financial assets	6(e)	-	-
Non-current bank balances			
Others			
Other non-current assets	7	9,687	-
Non Current Tax assets	9	-	-
Deferred tax assets (net)	16	-	-
Total non-current assets		27,97,193	21,41,981
Current assets:			
Inventories		29,26,751	24,14,434
Financial assets:-			
- Investments	6(a)	-	-
- Trade receivables	6(b)	1,36,48,592	97,71,268
- Cash and cash equivalents	6(c)	10,31,180	10,93,511
- Bank balances other than cash and cash equivalents	6(d)	44,144	44,144
-Loan		1,40,107	-
- Other financial assets	6(e)	1	1
Current Tax Assets (Net)			
Other current assets	8	7,36,033	21,41,176
Total current assets		1,85,26,807	1,54,64,534
TOTAL ASSETS		2,13,24,000	1,76,06,515
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	10,00,000	10,00,000
Preference share capital	10(a)	-	-
Other equity			
Share application money pending allotment		-	-
Reserve and surplus	10(b)	84,18,955	57,85,773
Total Equity		94,18,955	67,85,773
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	2,28,801	55,623
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		2,28,801	55,623
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	-	-
Finance lease liabilities			
- Trade payables	11(d)	1,05,71,860	1,03,17,656
- Other financial liabilities	11(c)	75,182	3,27,021
Provisions	14	-	-
Employee Benefit Payable	15	-	367
Current Tax Liabilities	9	10,29,127	1,20,000
Other current liabilities	13	75	75
Total current liabilities		1,16,76,244	1,07,65,119
TOTAL LIABILITIES		1,19,05,045	1,08,20,742
TOTAL EQUITY AND LIABILITIES		2,13,24,000	1,76,06,515

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

DEI Malaysia

Statement of Profit And Loss for the 12 months ended 31st Dec, 2023

Particulars	Notes	Currency - MYR 12 months ended 31st Dec, 2023	Currency - MYR 12 months ended 31st Dec, 2022
Income			
Revenue from operations	17	3,60,40,082	2,75,50,485
Other income	18(a)	1,36,724	611
Other gains (net)	18(b)	(6,789)	3,036
Total income		**3,61,70,017**	**2,75,54,132**
Expenses			
Cost of services		**1,87,21,797**	**1,51,02,396**
Employee benefits expense	19	72,95,316	45,27,920
Finance Cost	22	1,65,475	1,12,750
Advertisement Expenses		**70,544**	**5,150**
Depreciation and amortisation expense	20	5,80,038	4,57,288
Depreciation - Right of Use Assets - Buildings		1,08,210	2,34,124
Other expenses	21	56,16,329	22,98,438
Total expenses		**3,25,57,708**	**2,27,38,065**
Profit / (Loss) before exceptional item, share of net profits of investments accounted for using equity method and tax		**36,12,309**	**48,16,067**
Share of profit from associates and joint venture accounted for using equity			
Profit before exceptional item		**36,12,309**	**48,16,067**
Add Exceptional items:			
Less Exceptional items:		-	-
(Loss)/Profit before tax		**36,12,309**	**48,16,067**
Less : Tax expense			
Current tax	23	9,79,127	1,20,000
Deferred tax	23	-	-
Total tax expenses		**9,79,127**	**1,20,000**
(Loss)/Profit for the year (A)		**26,33,182**	**46,96,067**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	-
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		-	-
Total comprehensive income for the year (A+B)		**26,33,182**	**46,96,067**
Earnings/(Loss) per equity share (Face value of INR 1 each)	34		
- Basic earnings/(loss) per share		53	94
- Diluted earnings/(loss) per share		53	94

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Malaysia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 10(b) Reserves and surplus Currency - MYR

Particulars	31st Dec, 2023	31st Dec, 2022
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Debenture Redemption Reserve	-	-
Share Option Outstanding Amount	-	-
OCI	-	-
General Reserve	-	-
Foreign currency translation reserve	-	-
Retained Earnings	84,18,955	57,85,773
Total reserves and surplus	**84,18,955**	**57,85,773**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

(vii) Retained Earnings

Particulars	31st Dec, 2023	31st Dec, 2022
Opening Balance [April 1,]	57,85,773	10,89,706
Net Profit For the period	26,33,182	46,96,067
Preacquisition Impact on Retained Earning	-	
Retained Earning on ROU Assets (Dep)	-	
OCI During the year		
Dividends, including dividend distribution tax	-	-
Transfer to General Reserve	-	-
Transfer to debenture redemption reserve	-	-
Closing Balance	**84,18,955**	**57,85,773**

Nature and Purpose of Reserves [Update descriptions below as per your local laws/regulations]

Capital Redemption Reserve

The Company has issued Non convertible redeemable preference shares during the year. In order to comply with the requirements of section 69 of The Companies Act, 2013, the Company has transferred amounts to Capital Redemption Reserve.

Debenture Redemption Reserve

The Company has Issued Non Convertible Debentures. In order to comply with the requirements of section 71 of The Companies Act, 2013, the Company has transferred amounts to Debenture Redemption Reserve.

Share Option Outstanding Amount

The share option outstanding account is used to recognised the grant date fair value of options issued to employees under the company's Employee stock option plan. This includes options issued to the employees of the subsidiaries.

General reserves

General reserve is used to record transfer from capital redemption reserve and debenture redemption reserve. The reserves is utilised in accordance with the provisions of the Act.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares and towards allotment of ESOP. The reserves is utilised in accordance with the provisions of the Act.

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Malaysia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 3: Property, plant and equipment:

Particulars	Office Building	Leasehold Improvements	Furniture and Fixtures	Computers	Office equipments	Vehicles	Plant and Machinery	Total
Gross carrying amount								
Opening as at 1st January, 2023			5,97,935	33,44,170	-	-	-	39,42,106
Additions			5,29,318	5,87,255				11,16,573
Disposals/transfer				-	-	-		-
Pre Acquisition Movement-								-
FCTR			-	-		-		-
Closing gross carrying amount	-	-	11,27,253	39,31,426	-	-	-	50,58,679
			11,27,253	39,31,426		-		
Accumulated depreciation								
Opening as at 1st January, 2023			5,04,707	20,05,723	-	-		25,10,431
Depreciation charge during the year			89,609	4,89,265	-	-		5,78,874
Disposals			-	-	-	-		-
Pre Acquisition Movement			-					-
Change in Dep Policy			-	-				-
FCTR			-	-		-		-
Closing accumulated depreciation	-	-	5,94,316	24,94,988	-	-	-	30,89,305
Net carrying amount as at 31st Dec, 2023	-	-	5,32,937	14,36,437	-	-	-	19,69,374

FCTR

(i) Leased Assets
Propoerty, Plant and Equipments

Particulars	31st Dec, 2023							
	Office Building	Leasehold Improvements	Furniture and Fixtures	Computers	Office equipments	Vehicles	Plant and Machinery	Total
Cost/Deemed Cost - Opening	2,31,705		-	-	-	-	-	2,31,705
Addition	-			-	-	-	-	-
Disposals/transfer	98,195		-	-	-	-	-	98,195
FCTR	-		-	-	-	-	-	-
Closing gross carrying amount	3,29,899	-	-	-	-	-	-	3,29,899
Accumulated Depreciation -Opening	-		-	-	-	-	-	-
Depreciation charge during the year	1,08,210	-	-	-	-	-	-	1,08,210
Disposals	-	-	-	-	-	-	-	-
FCTR	-	-	-	-	-	-	-	-
Closing accumulated depreciation	1,08,210	-	-	-	-	-	-	1,08,210
Net Carrying Amount	2,21,689	-	-	-	-	-	-	2,21,689

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Note 6: Loans Non-Current

Particulars	31st Dec, 2023	31st Dec, 2022
Loans to Related Parties- Non current - Unsecured	-	-
Loans to Inter Company- Non current - Unsecured	-	-
Security deposits [Loans] - Non current - Unsecured	5,96,442	6,56,963
Aggregate Amount of impairment in the value of investments	5,96,442	6,56,963

Note 6: Loans Current

Particulars	31st Dec, 2023	31st Dec, 2022
Security deposits [Loans] - Current - Unsecured	1,40,107	-
Aggregate Amount of impairment in the value of investments	1,40,107	-

Note 7: Financial Assets

6(a)Current Investments

Particulars	31st Dec, 2023	31st Dec, 2022
Investment in mutual funds fair valued through Profit and Loss A/c (Quoted)		
- Mutual Fund Scheme and Plan Name		
xx (Nos.) (Previous Year: xx) Units of xx (Face Value) each	-	-
- Mutual Fund Scheme and Plan Name		
xx (Nos.) (Previous Year: xx) Units of xx (Face Value) each	-	-
....		
Total Mutual Funds	-	-
Total Current investments	-	-
Aggregate Amount of quoted investments	-	-
Aggregate Amount of impairment in the value of investments	-	-

6(b)Trade receivables

Particulars	31st Dec, 2023	31st Dec, 2022
Trade receivables	1,59,08,757	1,19,53,142
Less : Allowance for doubtful debts	(22,60,165)	(21,81,874)
Total receivables	1,36,48,592	97,71,268
Break up of Security Details		
Secured, considered good	-	-
Unsecured, considered good	1,36,48,592	97,71,268
Unsecured, considered doubtful	22,60,165	21,81,874
Total	1,59,08,757	1,19,53,142
Less : Allowance for doubtful debts	(22,60,165)	(21,81,874)
Total Trade Receivables	1,36,48,592	97,71,268
Trade recievables from Related Parties	77,16,680	44,38,457
Trade recievables From Inter companies		

6(c) Cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec, 2022
Balances with banks :		
In current accounts	8,12,562	9,19,000
Fixed Deposits with original maturity of less than three months*	-	-
Balance in EEFC accounts		-
Remittance in Transit (including foreign currencies- Notes and paid documents)		-
Cheques on hand		-
Cash on hand (including foreign currencies- Notes and paid documents)	2,18,618	1,74,511
Total Cash and cash equivalents	10,31,180	10,93,511

*Provide details of any FDs on Liens with Party Name and FD Amount (including Previous Year amount)

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

6(d) Bank balances other than cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec, 2022
Fixed Deposits with original maturity of more than three months but less than 12 months*	44,144	44,144
Unclaimed dividend	-	-
Total Cash and cash equivalents	44,144	44,144

6(e) Other financial Assets

Particulars	Non-current	Current	Non-current	Current
	31st Dec, 2023	31st Dec, 2023	31st Dec, 2022	31st Dec, 2022
Fixed deposits with maturity for more than 12 months*	-		-	-
Security Deposits	-	-	-	
Receivable from subsidiaries	-		-	
Interest receivables from Related Parties		-	-	-
Accrued Revenue	-		-	-
Interest receivables from Inter Company	-	-	-	-
Loans and Advance to Related Parties	-		-	-
Insurance claim receivable	-		-	-
Interest receivables from Bank Deposits		1	-	0.7
Others	-		-	-
Total Other Financial Assets	-	1	-	0.7

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

DEI Malaysia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 7: Other Non-Current Assets:

Currency - MYR

Particulars	31st Dec, 2023	31st Dec, 2022
Capital advances	9,687.0	-
Prepaid expenses	-	-
Total	9,687	-

Note 8: Other Current Assets:

Particulars	31st Dec, 2023	31st Dec, 2022
Advance to Suppliers		
Unsecured, considered good	-41,433	20,58,145
Unsecured ,considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advance to Employees	-	-
Unsecured, considered good	-1,000	651
Unsecured, considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepaid expenses	44,466	11,216
Balances receivables from Govt. authorities	7,34,000	71,163
Total	**7,36,033**	**21,41,175.7**

Note 9: Non- Current Tax Assets / Current Tax Liabilities:

Particulars	31st Dec, 2023	31st Dec, 2022
Opening Balance	1,20,000	-
Pre acquisition adj		-
Less: Current Tax payable for the year		
Add: Taxes Paid	-1,20,000	
Closing Balances	-	-
Disclosed as:		
Non-Current Tax Assets (as per Balance sheet)	-	-
Current Tax Liability (as per Balance sheet)	10,29,127	1,20,000

Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies [includes in-transit of MYR________]	29,26,751	23,23,347
Raw material, consumables and other supplies [in transit]	-	91,087
Finished goods (mention types of goods) [includes in-transit of MYR________]		-
Stock-in-trade (in respect of goods acquired for trading); [includes in-transit of MYR________]		-
Stores and spares [includes in-transit of MYR________]		-
Other inventories [includes in-transit of MYR________]		-
	29,26,751	**24,14,434.1**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Malaysia
Notes forming part of the Financial Statements as at and for the
12 months ended 31st Dec, 2023

Note 11: Financial Liabilities:

MYR

11(a) Non-Current Borrowings

Particulars	Maturity Date	Nature of Security	Terms of Payment	Coupon/ Interest Rate	31st Dec, 2023	31st Dec, 2022
Long term maturities of finance lease obligations:	Nov -21	Vehicle	84 Equated monthly installments	5.492%	-	-
Term Loan from Bank - Long Term	SCB -10th Sep 2022	SCB- Corporate Guarantee by TC	SCB -12 Equated Quarterly Installments	SCB -5.08% (Fixed)	-	-
Vehicle loans - Unsecured - Non Current					-	-
Loans from Related Parties - Unsecured - Non current					-	-
Inter Company Loan - Non current					-	-
Total Non-Current Borrowings					-	-
Less: Current maturities of Long Term Borrowings (included in note 11(C))		-	-	-	-	-
Less: Current maturities of Finance Lease Obligations (included in note 11(C))	-	-	-	-	-	-
Less: Issue Expenses (IND AS Adj)	-	-	-	-		
Less: Interest Accrued (included in note 11(C))	-	-	-	-		
Less: Interest accrued on NCRPS (included in note 11(C))	-	-	-	-		
Non-Current Borrowings (As per Balance Sheet)					-	-

11(b) Current Borrowings

Particulars	Maturity Date	Terms of Payment	Coupon/ Interest Rate	31st Dec, 2023	31st Dec, 2022
Unsecured				-	
Bank Overdrafts				-	-
Term Loan from Bank - Short term					-
Loans to Related Parties- Current - Secured				-	-
Short Term loans from Related Parties - Unsecured				-	-
Total Current Borrowings				-	-
Less: Interest Accrued (included in note 11(c))	-	-	-		
Current Borrowings (As per Balance Sheet)				-	-

11(c) Other Financial Liabilities

Particulars	31st Dec, 2023		31st Dec, 2022	
	Non-Current	Current	Non-Current	Current
Current				
Current maturities of Redeemable long term debentures / Term Loan (Refer 11(a))	-	-	-	-
Current maturities of Long term Inter Company Loan	-		-	
Current maturities of finance lease obligations (Refer 11(a))	-	-	-	-
ROU Lease Liability	2,28,801	-	55,622.7	-
Deposits received from vendor				
Dividend Payable	-	-		-
Unpaid Dividend @				
Interest accrued		-		-
Liabilities against expense		78,925		3,29,522
Liabilities against Fixed Assets (Capital Creditors)				
Interest payable to Related parties		-		-
Derivative financial liabilities				
Guarantees given to bank and others on behalf of subsidiaries		-		
Other financial liabilities - Inter Company - Current		-3,576		-2,080
Other financial liabilities - Related Parties - Current		-167		-421
Others				-
Total Other Financial Liabilities	2,28,801.0	75,182	55,622.7	3,27,020.8

11(d)Trade Payables

Particulars	31st Dec, 2023	31st Dec, 2022
-Dues of micro enterprises and small enterprises	-	-
-Dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances		
(ii) Trade pyable to Related Parties	-	-
(iii) Trade pyable to Inter companies	-	
(iv) Other Trade Payable	1,05,71,860	1,03,17,656
Total Trade Payables	1,05,71,860	1,03,17,656.4

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Malaysia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 10(a) Share Capital and Other Equity:

	Equity Share Capital#		Preference Share Capital*	
Particulars	No of Shares (In lakhs)	Amount	No of Shares (In lakhs)	Amount
AUTHORISED				
As at 1st Jan,2023	50,000	10,00,000		-
Increase/(Decrease) during the period				
As at 31st Dec, 2023	50,000	10,00,000	-	-

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

DEI Malaysia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 12: Other Non-Current Liabilities MYR

Particulars	31st Dec, 2023	31st Dec, 2022
Income Received In Advance		
Rent Equalisation Reserve		
Others		
Total	-	-

Note 13: Other Current Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Income Received in Advance		
Advance receipts from Customers for which value is still to be given	75	75
Statutory Dues	0	(0)
Rent Equalisation Reserve		
Fractional entitlement on Bonus Share Refund Accounts		
Others		
Total	75	75

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

DEI Malaysia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 17: Revenue from Operations

Particulars	31st Dec, 2023	31st Dec, 2022
Sale of Services	3,60,40,082	2,75,50,485
Other Operating Revenue	-	-
-Liabilities no longer required written back		-
-Education and Training Revenue		-
-Miscellaneous Receipts	-	-
Total	3,60,40,082	2,75,50,485

Note 18: Other Income and other gains/(losses)
(a) Other Income

Particulars	31st Dec, 2023	31st Dec, 2022
Interest Income		
-On Bank Deposits	-	-
-On Others		-
-On Loan to related party	-	-
-On income Tax Refund	-	-
Dividend Income		-
-From Subsidiaries		-
-From Mutual Fund Investments		-
Rental Income		-
Facilities and Support Services fees	-	-
Consultancy income		-
Liabilities no longer required written back		-
Miscellaneous Income	1,36,724	611
Total	1,36,724	611

(b) Other gains (net)

Particulars	31st Dec, 2023	31st Dec, 2022
Profit on sale of property, plant and equipment (Net)	-	-
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	(6,789)	3,036
Total	(6,789)	3,036

Note 19: Employee Benefit Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Salaries Wages and Bonus	58,68,041	37,21,606
Contribution to Provident and Other Funds	5,33,406	1,49,217
Gratuity	-	-
Employees Share based payment expense	-	-
Staff Welfare Expenses	2,60,004	1,86,563
Compensated absences	-	-
Staff Training, Recruitment and Other Costs	4,03,987	2,63,467
Incentives to Staff	2,29,878	2,07,067
Total	72,95,316	45,27,920

Note 20: Depreciation and Amortisation Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Depreciation on Tangible Assets	5,80,038	4,57,288
Amortisation on Intangible Assets	-	
Depreciation and amortisation expense	1,08,210	2,34,124
Total	6,88,248	6,91,412

Note 21: Other Expenses

Particulars	31st Dec, 2023	31st Dec, 2022
Rent	1,91,467	(34,902)
Stores and tools consumed	2,25,438	72,219
Electricity	17,698	4,680
Repairs to Building	-	-
Repairs to Plant and machinery	-	-
Repairs to Others	1,52,470	26,925
Insurance	29,831	27,131
Rates and Taxes	-	(1,019)
Licence Fees	68,093	17,416
Security Services	-	-
Travelling Expenses	3,38,660	98,751
Vehicle Running and Maintenance Expenses	571	1,522
Directors Sitting Fees	10,521	-
Commission to Directors	-	-
Legal and Professional Charges (refer note 21 (a))	1,68,387	41,376
Payment to Auditors - As Auditors Statutory and limited review	(31,409)	1,42,720
Group Resource Cost (GRC)Expenses	33,30,003	8,22,548
Printing and Stationery	17,502	6,932
Equipment hire charges	15,979	5,888
Water charges	-	-
Communication expenses	91,801	67,011
Lease expenses - Others	-	-
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	7,90,309	2,31,263
Freight Currency Shipment	-	-
Bad Debts and Advances Written Off	-	-
Provisions for doubtful debts and Advances (net off bad debt written off)	78,291	7,17,132
Expenditure towards CSR (refer note 21 (b))	-	-
Donations	-	-
Loss on sale of property, plant and equipment (Net)	-	-
Inter Compnay Management Fee (Expenses)	-	-
Miscellaneous Expenses	1,20,717	50,844
Total	56,16,329	22,98,438

Legal and professional charges includes payment to auditors

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Note 21 (a): Details of payments to auditors included in Row 75 -"Legal and Professional Charges" above

Particulars	31st Dec, 2023	31st Dec, 2022
Payment to auditors		
As auditor:		
-Statutory Audit		
-Tax audit		
-Miscellaneous Reports		
In other capacities		
-Re-imbursement of expenses		
Total payments to auditors	-	-

Note 21 (b): Corporate social responsibility expenditure

Particulars	31st Dec, 2023	31st Dec, 2022
(a) Gross amount required to be spent by the Company during the year		
(b) Amount spent and paid during the year on		
Eradicating Hunger, Poverty & Malnutrition, Promoting Health-Care Including Preventive Health-Care And Sanitation		

Note 22: Finance Costs

Particulars	31st Dec, 2023	31st Dec, 2022
Interest and finance charges on financial liabilities not at fair value through profit and loss	-	11,209
Other Finance Charges	1,48,365	98,891
Interest Expenses ROU Liabilitiy	17,109	2,651
Total	1,65,475	1,12,750

Note 23: Income Tax Expense

Particulars	31st Dec, 2023	31st Dec, 2022
(a) Income tax expense		
Current tax		
Current tax on profits for the year	9,79,127	1,20,000
Adjustments for current tax of prior periods		
Total current tax expense	9,79,127	1,20,000
Deferred tax		
Decrease (increase) in deferred tax assets	-	
(Decrease) increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	-	-
Income tax expense	9,79,127	1,20,000

Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Management Accounts as on 31st Dec, 2023

Amt in SGD

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	1(a)	634,543	400,569
Right-Of-Use Assets	1(b)	164,842	64,163
Financial assets:			
- Other financial assets	2	29,082	264,244
Total non-current assets		**828,467**	**728,976**
Current assets:			
Inventories	3	768,483	356,194
Financial assets:			
- Trade receivables	4	19,308,114	14,605,493
- Cash and cash equivalents	5	227,463	512,489
- Bank balances other than cash and cash equivalents	6	261,659	36,659
- Other financial assets	2	37,951	284
Other current assets	7	264,338	844,740
Total current assets		**20,868,008**	**16,355,859**
TOTAL ASSETS		**21,696,475**	**17,084,835**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8	1,100,000	1,100,000
Other equity			
Reserve and surplus	9	1,388,954	-67,123
Total Equity		**2,488,954**	**1,032,877**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Lease liabilities	10	171,800	29,692
Total non-current liabilities		**171,800**	**29,692**
Current liabilities			
Financial liabilities			
- Trade payables	11	18,629,358	15,670,970
Employee Benefit Payable	12	50	118
Current Tax Liabilities	13	127,164	30,852
Other current liabilities	14	279,149	320,326
Total current liabilities		**19,035,722**	**16,022,266**
TOTAL LIABILITIES		**19,207,522**	**16,051,958**
TOTAL EQUITY AND LIABILITIES		**21,696,475**	**17,084,835**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Management Statement of Profit And Loss for the year months ended 31st Dec, 2023

Amt in SGD

Particulars	Notes	For the year ended Dec 31, 2023	For the year ended Dec 31, 2022
Income			
Revenue from operations	15	14,942,668	8,250,217
Other income	16(a)	3,753,271	578,363
Other gains (net)	16(b)	121,174	166,205
Total income		**18,817,113**	**8,994,785**
Expenses			
Cost of services		7,552,863	3,392,939
Employee benefits expense	17	4,498,247	2,325,603
Finance Cost	18	287,836	180,386
Advertisement Expenses		22,960	3,050
Depreciation and amortisation expense	19	175,576	145,422
Depreciation - Right of Use Assets - Buildings	19	62,634	38,677
Other expenses	20	4,801,385	1,369,200
Total expenses		**17,401,501**	**7,455,277**
Profit before exceptional item		**1,415,612**	**1,539,508**
Add Exceptional items:			
Less Exceptional items:		-	
(Loss)/Profit before tax		**1,415,612**	**1,539,508**
Less : Tax expense			
Current tax		-40,465	4,293
Deferred tax		-	-
Total tax expenses		**-40,465**	**4,293**
(Loss)/Profit for the year (A)		**1,456,077**	**1,535,215**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		**-**	**-**
Total comprehensive income for the year (A+B)		**1,456,077**	**1,535,215**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Notes forming part of the Management Accounts as at year ended 31st Dec, 2023

Note 1(a): Property, plant and equipment:

Particulars	Furniture and Fixtures	Computers	Vehicles	Total
Gross carrying amount				
Opening as at 1st January, 2023	242,382	1,168,794	98,800	1,509,976
Additions	135,787	273,763	-	409,550
Closing gross carrying amount	**378,170**	**1,442,556**	**98,800**	**1,919,526**
Accumulated depreciation				
Opening as at 1st January, 2023	204,200	806,407	98,800	1,109,407
Depreciation charge during the year	32,488	143,088	-	175,576
Disposals				
Closing accumulated depreciation	**236,688**	**949,495**	**98,800**	**1,284,983**
Net carrying amount as at 31st December, 2022	38,182	362,387	-	400,569
Net carrying amount as at 31st December, 2023	**141,481**	**493,061**	**-**	**634,543**

Note 1(b): Leased Assets

Particulars	31st Dec, 2023	
	Office Building	Total
Cost/Deemed Cost - Opening	261,532	261,532
Addition	201,989	201,989
Disposals/transfer		-
FCTR		-
Closing gross carrying amount	**463,521**	**463,521**
Accumulated Depreciation -Opening	236,045	236,045
Depreciation charge during the year	62,634	62,634
Disposals		-
FCTR		-
Closing accumulated depreciation	**298,679**	**298,679**
Net Carrying Amount as at Dec 31, 2023	**164,842**	**164,842**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Notes forming part of the Management Accounts as at year ended 31st Dec, 2023

Note 2: Other financial Assets

Particulars	Non-current 31st Dec, 2023	Current 31st Dec, 2022	Non-current 31st Dec, 2023	Current 31st Dec, 2022
Fixed deposits with maturity for more than 12 months*	-		200,000	-
Security Deposits	29,082	37,614.0	64,244	
Interest receivables from Bank Deposits		337		284
Total Other Financial Assets	**29,082**	**37,951**	**264,244**	**284**

Note 3: Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies	768,483	356,194
Total	**768,483**	**356,194**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Note 4: Trade receivables

Particulars	31st Dec, 2023	31st Dec, 2022
Trade receivables	19,308,114	14,605,493
Less : Allowance for doubtful debts	-	
Total receivables	**19,308,114**	**14,605,493**

Note 5: Cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec, 2022
Balances with banks :		
In current accounts	150,709	451,328
Cash on hand (including foreign currencies- Notes and paid documents)	76,754	61,161
Total Cash and cash equivalents	**227,463**	**512,489**

Note 6: Bank balances other than cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec, 2022
Fixed Deposits with original maturity of more than three months but less than 12 months*	261,659	36,659
Total Cash and cash equivalents	**261,659.0**	**36,659**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Notes forming part of the Management Accounts as at year ended 31st Dec, 2023

Note 7: Other Current Assets

Particulars	31st Dec, 2023	31st Dec, 2022
Advance to Suppliers		
Unsecured, considered good	129,191	619,762
Prepaid expenses	20,757	14,092
Balances receivables from Govt. authorities	114,390	210,886
Total	**264,338**	**844,740**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Notes forming part of the Management Accounts as at year ended 31st Dec, 2023

Note 8: Share Capital

Particulars	Equity Share Capital	
	No of Shares (In lakhs)	Amount
As at 1st Jan, 2022	**1,100,000**	1,100,000
Increase/(Decrease) during the period	-	
As at 31st Dec, 2023	**1,100,000**	**1,100,000**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Notes forming part of the Management Accounts as at year ended 31st Dec, 2023

Note 9: Reserves and surplus

Particulars	31st Dec, 2023	31st Dec, 2022
Retained Earnings	1,388,954	-67,123
Total reserves and surplus	**1,388,954**	**-67,123**

Particulars	31st Dec, 2023	31st Dec, 2022
Opening balance starting of the year	-67,123	-1,602,338
Net Profit For the period	1,456,077	1,535,215
Closing Balance	**1,388,954**	**-67,123**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Notes forming part of the Management Accounts as at year ended 31st Dec, 2023

Note 10: Financial Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Lease liabilities	171,800	29,692
Total	**171,800**	**29,692**

Note 11: Trade Payables

Particulars	31st Dec, 2023	31st Dec, 2022
Trade Payable	18,629,358	15,670,970
Total	**18,629,358**	**15,670,970**

Note 12: Employee Benefit Payable

Particulars	31st Dec, 2023	31st Dec, 2022
Employee benefit obligation	50	118
Total	**50**	**118**

Note 13: Current Tax Liabilities:

Particulars	31st Dec, 2023	31st Dec, 2022
Current Tax Liability (as per Balance sheet)	127,164	30,852
Total	**127,164**	**30,852**

Note 14: Other Current Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Statutory Dues	276,090	320,326
Others	3,060	
Total	**279,149**	**320,326**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiohoto Entertainment Imaging PTE LTD
Notes forming part of the Management Accounts as at year ended 31st Dec, 2023

Note 15: Revenue from Operations

Particulars	31st Dec, 2023	31st Dec, 2022
Sale of Services	14,942,668	8,250,217
Total	**14,942,668**	**8,250,217**

Note 16: Other Income and other gains/(losses)
(a) Other Income

Particulars	31st Dec, 2023	31st Dec, 2022
Facilities and Support Services fees	3,670,398	559,654
Miscellaneous other Income	82,873	18,709
Total	**3,753,271**	**578,363**

(b) Other gains (net)

Particulars	31st Dec, 2023	31st Dec, 2022
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	121,174	166,205
Total	**121,174**	**166,205**

Note 17: Employee Benefit Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Salaries Wages and Bonus	3,763,631	2,181,180
Contribution to Provident and Other Funds	351,214	
Gratuity	7,000	
Staff Welfare Expenses	128,054	42,719
Staff Training, Recruitment and Other Costs	93,693	51,542
Incentives to Staff	154,655	50,162
Total	**4,498,247**	**2,325,603**

Note 18: Finance Costs

Particulars	31st Dec, 2023	31st Dec, 2022
Other Finance Charges	279,010	177,610
Interest Expenses ROU Liabilitiy	8,825	2,776
Total	**287,836**	**180,386**

Note 19: Depreciation and Amortisation Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Depreciation on Tangible Assets	175,576	145,422
Depreciation on Right of Use assets	62,634	38,677
Total	**238,210**	**184,099**

Note 20: Other Expenses

Particulars	31st Dec, 2023	31st Dec, 2022
Rent	15,429	9,326
Stores and tools consumed	45,735	23,648
Electricity	6	
Repairs to Others	86,331	-2,406
Insurance	70,652	33,303
Licence Fees	48,659	11,831
Travelling Expenses	174,543	65,125
Vehicle Running and Maintenance Expenses	9,400	1,698
Legal and Professional Charges (refer note 21 (a))	111,272	85,306
Payment to Auditors - As Auditors Statutory and limited review	24,600	21,616
Out of pocket expenses	4,753	
Group Resource Cost [GRC]Expenses	4,031,934	800,819
Printing and Stationery	5,776	5,399
Equipment hire charges	1,281	14
Communication expenses	84,866	49,430
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	-	210,273
Miscellaneous Expenses	86,149	53,818
Total	**4,801,385**	**1,369,200**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Balance Sheet as at 31st Dec, 2023

Currency - IDR

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	7,86,01,08,834	2,27,36,70,794
Development			
Capital work-in-progress	3	-	-
Right-Of-Use Assets		25,91,97,733	4,09,04,704
Goodwill	4	-	-
Other Intangible Assets, net	4	-	-
Intangible assets under development		-	-
Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	-	-
Financial assets:-			
- Non current investments	5	-	-
- Loans		14,17,20,17,050	11,15,01,17,050
- Other financial assets	6(e)	-	-
Non-current bank balances			
Others			
Other non-current assets	7	-	-
Non Current Tax assets	9	11,34,78,881	4,79,92,481
Deferred tax assets (net)	16	-	-
Total non-current assets		22,40,48,02,498	13,51,26,85,028
Current assets:			
Inventories		5,07,02,38,464	2,58,82,44,461
Financial assets:-			
- Investments	6(a)	-	-
- Trade receivables	6(b)	20,44,48,01,692	13,85,20,89,767
- Cash and cash equivalents	6(c)	4,00,63,57,644	3,96,29,31,920
- Bank balances other than cash and cash equivalents	6(d)	-	-
-Loan		-	-
- Other financial assets	6(e)	-	-
Current Tax Assets (Net)			
Other current assets	8	7,70,30,25,959	7,60,33,38,411
Total current assets		37,22,44,23,759	28,00,66,04,558
TOTAL ASSETS		59,62,92,26,256	41,51,92,89,586
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	5,67,23,06,900	5,67,23,06,900
Preference share capital	10(a)	-	-
Other equity			
Share application money pending allotment		-	-
Reserve and surplus	10(b)	14,96,31,69,392	5,64,87,21,678
Total Equity		20,63,54,76,292	11,32,10,28,578
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	25,23,08,652	3,52,21,338
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	3,53,48,291	3,53,48,291
Other non-current liabilities	12	-	-
Total non-current liabilities		28,76,56,942	7,05,69,628
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	-	-
Finance lease liabilities			
- Trade payables	11(d)	31,83,20,16,626	25,60,40,69,108
- Other financial liabilities	11(c)	-0	-0
Provisions	14	-	-
Employee Benefit Payable	15	27,78,82,302	26,08,92,281
Current Tax Liabilities	9	1,43,68,23,756	-
Other current liabilities	13	5,15,93,70,338	4,26,27,29,993
Total current liabilities		38,70,60,93,022	30,12,76,91,381
TOTAL LIABILITIES		38,99,37,49,964	30,19,82,61,009
TOTAL EQUITY AND LIABILITIES		59,62,92,26,256	41,51,92,89,586

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Statement of Profit And Loss for the 12 months ended 31st Dec, 2023

Particulars	Notes	Currency - IDR 12 months ended 31st Dec, 2023	Currency - IDR 12 months ended 31st Dec, 2022
Income			
Revenue from operations	17	74,96,04,71,214	46,26,25,55,094.5
Other income	18(a)	-6,83,65,24,146	(3,59,56,14,571.5)
Other gains (net)	18(b)	12,36,56,739	4,79,43,670.2
Total income		68,24,76,03,807	42,71,48,84,193.3
Expenses			
Cost of services		37,06,58,02,733	23,74,17,56,647.4
Employee benefits expense	19	10,21,56,27,370	5,26,75,56,557.4
Finance Cost	22	32,31,18,756	21,93,30,810.6
Advertisement Expenses		31,09,75,262	-
Depreciation and amortisation expense	20	1,81,73,44,304	1,21,46,20,612.0
Depreciation - Right of Use Assets - Buildings		3,80,64,546	
Other expenses	21	7,05,00,46,216	3,56,83,32,891.6
Total expenses		56,82,09,79,186	34,01,15,97,519.1
Profit / (Loss) before exceptional item, share of net profits of investments accounted for using equity method and tax		11,42,66,24,621	
Share of profit from associates and joint venture accounted for using equity method		-	
Profit before exceptional item		11,42,66,24,621	8,70,32,86,674.2
Add Exceptional items:			
Less Exceptional items:		-	
(Loss)/Profit before tax		11,42,66,24,621	8,70,32,86,674.2
Less : Tax expense			
Current tax	23	1,71,15,79,854	-
Deferred tax	23	-	18,72,500.0
Total tax expenses		1,71,15,79,854	18,72,500.0
(Loss)/Profit for the year (A)		9,71,50,44,767	8,70,14,14,174.2
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	-
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		-	-
Total comprehensive income for the year (A+B)		9,71,50,44,767	8,70,14,14,174.2
Earnings/(Loss) per equity share (Face value of INR 1 each)	34		
- Basic earnings/(loss) per share		16,19,174.13	14,50,235.7
- Diluted earnings/(loss) per share		16,19,174.13	14,50,235.7

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DB Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

(11,88,387.0) (68,879.7) (41,89,903.9)
1,04,14,41,237.7

Note 3: Property, plant and equipment:

Currency - IDR

Particulars	Office Building	Leasehold Improvements	Furniture and Fixtures	Computers	Office equipments	Vehicles	Plant and Machinery	Total	Capital work in progress
Gross carrying amount									
Opening as at 1st January, 2023			1,11,81,03,913	7,01,35,16,629	-	-	-	8,13,16,20,542	-
Additions			61,02,60,094	6,79,35,22,250				7,40,37,82,344	
Disposals/transfer				-	-	-		-	-
Pre Acquisition Movement-								-	
FCTR			-	-	-	-		-	
Closing gross carrying amount	-	-	1,72,83,64,007	13,80,70,38,879	-	-	-	15,53,54,02,886	-
			1,72,83,64,006	13,80,70,38,880		-			
Accumulated depreciation									
Opening as at 1st January, 2023			85,82,60,353	4,99,96,89,396	-	-		5,85,79,49,748	-
Depreciation charge during the year			18,43,69,272	1,63,29,75,031	-	-		1,81,73,44,304	-
Disposals			-	-	-	-		-	-
Pre Acquisition Movement								-	
Change in Dep Policy			-	-				-	
FCTR			-	-		-		-	-
Closing accumulated depreciation	-	-	1,04,26,29,625	6,63,26,64,427	-	-	-	7,67,52,94,052	-
Net carrying amount as at 31st Dec, 2023	-	-	68,57,34,382	7,17,43,74,452	-	-	-	7,86,01,08,834	-

FCTR

(i) Leased Assets
Propoerty, Plant and Equipments includes the following amounts where the company is a lessee under a finance lease:

Particulars	31st Dec, 2023							
	Office Building	Leasehold Improvements	Furniture and Fixtures	Computers	Office equipments	Vehicles	Plant and Machinery	Total
Cost/Deemed Cost - Opening	18,16,51,878		-	-	-	-	-	18,16,51,878
Addition	25,63,57,575		-	-	-	-	-	25,63,57,575
Disposals/transfer	-		-	-	-	-	-	-
FCTR	-		-	-	-	-	-	-
Closing gross carrying amount	43,80,09,453	-	-	-	-	-	-	43,80,09,453
Accumulated Depreciation -Opening	14,07,47,174		-	-	-	-	-	14,07,47,174
Depreciation charge during the year	3,80,64,546	-	-	-	-	-	-	3,80,64,546
Disposals	-	-	-	-	-	-	-	-
FCTR	-	-	-	-	-	-	-	-
Closing accumulated depreciation	17,88,11,720	-	-	-	-	-	-	17,88,11,720
Net Carrying Amount	25,91,97,733	-	-	-	-	-	-	25,91,97,733

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 6: Loans Non-Current

Particulars	31st Dec, 2023	31st Dec,2022
Loans to Related Parties- Non current - Unsecured	14,16,10,17,050	11,14,21,17,050
Loans to Inter Company- Non current - Unsecured	-	-
Security deposits [Loans] - Non current - Unsecured	1,10,00,000	80,00,000
Aggregate Amount of impairment in the value of investments	14,17,20,17,050	11,15,01,17,050

6(b)Trade receivables

Particulars	31st Dec, 2023	31st Dec,2022
Trade receivables	20,44,48,01,692	13,85,20,89,767
Less : Allowance for doubtful debts	-	-
Total receivables	20,44,48,01,692	13,85,20,89,767
Break up of Security Details		
Secured, considered good	-	-
Unsecured, considered good	20,44,48,01,692	13,85,20,89,767
Unsecured, considered doubtful	-	-
Total	20,44,48,01,692	13,85,20,89,767
Less : Allowance for doubtful debts	-	-
Total Trade Receivables	20,44,48,01,692	13,85,20,89,767
Trade recievables from Related Parties	77,16,680	44,38,457
Trade recievables From Inter companies		

6(c) Cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec,2022
Balances with banks :		
In current accounts	3,57,25,33,039	3,86,68,02,028
Fixed Deposits with original maturity of less than three months*	-	-
Balance in EEFC accounts		-
Remittance In Transit (including foreign currencies- Notes and paid documents)		-
Cheques on hand		-
Cash on hand (including foreign currencies- Notes and paid documents)	43,38,24,604	9,61,29,891
Total Cash and cash equivalents	4,00,63,57,644	3,96,29,31,920

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 7: Other Non-Current Assets:

Currency - IDR

Particulars	31st Dec, 2023	31st Dec, 2022
Capital advances	-	-
Prepaid expenses	-	-
Total	-	-

Note 8: Other Current Assets:

Particulars	31st Dec, 2023	31st Dec, 2022
Advance to Suppliers		
Unsecured, considered good	2,01,43,77,550	3,73,67,94,084
Unsecured ,considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advance to Employees	-	-
Unsecured, considered good	-	-
Unsecured, considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepaid expenses	19,04,16,590	57,47,336
Balances receivables from Govt. authorities	5,49,82,31,819	3,86,07,96,991
Total	7,70,30,25,959	7,60,33,38,411

Note 9: Non- Current Tax Assets / Current Tax Liabilities:

Particulars	31st Dec, 2023	31st Dec, 2022
Opening Balance	-	-
Pre acquisition adj		-
Less: Current Tax payable for the year		
Add: Taxes Paid	11,34,78,881	4,79,92,481
Closing Balances	11,34,78,881	4,79,92,481
Disclosed as:		
Non-Current Tax Assets (as per Balance sheet)	11,34,78,881	4,79,92,481
Current Tax Liability (as per Balance sheet)	1,43,68,23,756	-

95,788.3

Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies [includes In-transit of USD________]	4,95,19,32,067	2,46,99,38,063
Raw material, consumables and other supplies [in transit]	11,83,06,397	11,83,06,397
Finished goods (mention types of goods) [includes In-transit of USD________]		
Stock-in-trade (in respect of goods acquired for trading); [includes In-transit of USD________]		
Stores and spares [includes In-transit of USD________]		
Other inventories [includes In-transit of USD________]		
	5,07,02,38,464	2,58,82,44,461

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 10(a) Share Capital and Other Equity:

	Equity Share Capital#		Preference Share Capital*	
Particulars	No of Shares (in lakhs)	Amount	No of Shares (in lakhs)	Amount
AUTHORISED				
As at 1st Jan, 2023	6,000	5,67,23,06,900		
Increase/(Decrease) during the period				
As at 31st Dec, 2023	6,000	5,67,23,06,900	-	-

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 7: Other Non-Current Assets:

Currency - IDR

Particulars	31st Dec, 2023	31st Dec, 2022
Capital advances	-	-
Prepaid expenses	-	-
Total	-	-

Note 8: Other Current Assets:

Particulars	31st Dec, 2023	31st Dec, 2022
Advance to Suppliers		
Unsecured, considered good	2,01,43,77,550	3,73,67,94,084
Unsecured ,considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advance to Employees	-	-
Unsecured, considered good	-	-
Unsecured, considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepaid expenses	19,04,16,590	57,47,336
Balances receivables from Govt. authorities	5,49,82,31,819	3,86,07,96,991
Total	7,70,30,25,959	7,60,33,38,411

Note 9: Non- Current Tax Assets / Current Tax Liabilities:

Particulars	31st Dec, 2023	31st Dec, 2022
Opening Balance	-	-
Pre acquisition adj		-
Less: Current Tax payable for the year		
Add: Taxes Paid	11,34,78,881	4,79,92,481
Closing Balances	**11,34,78,881**	**4,79,92,481**
Disclosed as:		
Non-Current Tax Assets (as per Balance sheet)	11,34,78,881	4,79,92,481
Current Tax Liability (as per Balance sheet)	1,43,68,23,756	-

95,788.3

Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies [includes In-transit of USD_______]	4,95,19,32,067	2,46,99,38,063
Raw material, consumables and other supplies [in transit]	11,83,06,397	11,83,06,397
Finished goods (mention types of goods) [includes In-transit of USD_______]		
Stock-in-trade (in respect of goods acquired for trading); [includes In-transit of USD_______]		
Stores and spares [includes In-transit of USD_______]		
Other inventories [includes In-transit of USD_______]		
	5,07,02,38,464	2,58,82,44,461

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 10(b) Reserves and surplus — Currency - IDR

Particulars	31st Dec, 2023	31st Dec, 2022
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Debenture Redemption Reserve	-	-
Share Option Outstanding Amount	-	-
OCI	-	-
General Reserve	-	-
Foreign currency translation reserve	-40,71,69,473	-65,72,421
Retained Earnings	15,37,03,38,865	5,65,52,94,098
Total reserves and surplus	14,96,31,69,392	5,64,87,21,678

(vii) Retained Earnings

Particulars	31st Dec, 2023	31st Dec, 2022
Opening Balance [April 1, 2019]	5,65,52,94,098	-3,04,61,20,076
Net Profit For the period	9,71,50,44,767	8,70,14,14,174
Preacquisition Impact on Retained Earning	-	
Retained Earning on ROU Assets (Dep)	-	
OCI During the year		
Dividends, including dividend distribution tax	-	-
Transfer to General Reserve	-	-
Transfer to debenture redemption reserve	-	-
Closing Balance	15,37,03,38,865	5,65,52,94,098

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

IDR

Note 11: Financial Liabilities:

11(a) Non-Current Borrowings

Particulars	Maturity Date	Nature of Security	Terms of Payment	Coupon/ Interest Rate	31st Dec, 2023	31st Dec, 2022
Long term maturities of finance lease obligations:	Nov-21	Vehicle	84 Equated monthly installments	5.492%	-	-
Term Loan from Bank - Long Term	SCB -10th Sep 2022	SCB- Corporate Guarantee by TC	SCB -12 Equated Quarterly Installments	SCB -5.08% (Fixed)	-	-
Vehicle loans - Unsecured - Non Current					-	-
Loans from Related Parties - Unsecured - Non current					-	-
					-	-
Inter Company Loan - Non current					-	-
Total Non-Current Borrowings					-	-
Less: Current maturities of Long Term Borrowings (included in note 11(C))		-	-	-	-	-
Less: Current maturities of Finance Lease Obligations (included in note 11(C))	-	-	-	-	-	-
Less: Issue Expenses (IND AS Adj)	-	-	-	-		-
Less: Interest Accrued (included in note 11(C))	-	-	-	-		
Less: Interest accrued on NCRPS (included in note 11(C))	-	-	-	-		
Non-Current Borrowings (As per Balance Sheet)					-	-

11(c) Other Financial Liabilities

Particulars	31st Dec, 2023		31st Dec, 2022	
	Non-Current	Current	Non-Current	Current
Current				
Current maturities of Redeemable long term debentures / Term Loan (Refer 11(a))	-	-	-	-
Current maturities of Long term Inter Company Loan	-		-	-
Current maturities of finance lease obligations (Refer 11(a))	-	-	-	-
ROU Lease Liability	25,23,08,652	-	3,52,21,337.6	-
Deposits received from vendor			-	-
Dividend Payable		-	-	-
Unpaid Dividend @			-	-
Interest accrued		-	-	-
Liabilities against expense		-	-	-
Liabilities against Fixed Assets (Capital Creditors)			-	-
Interest payable to Related parties		-	-	-
Derivative financial liabilities			-	-
Guarantees given to bank and others on behalf of subsidiaries			-	-
Other financial liabilities - Inter Company - Current		-0	-	-0
Other financial liabilities - Related Parties - Current		-	-	-
Others			-	-
Total Other Financial Liabilities	25,23,08,651.7	-0	3,52,21,337.6	(0.4)

11(d)Trade Payables

Particulars	31st Dec, 2023	31st March, 2018
-Dues of micro enterprises and small enterprises	-	
-Dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances		
(ii) Trade pyable to Related Parties	-	-
(iii) Trade pyable to Inter companies	-	
(iv) Other Trade Payable	31,83,20,16,626	25,60,40,69,108
Total Trade Payables	31,83,20,16,626	25,60,40,69,108

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 12: Other Non-Current Liabilities IDR

Particulars	31st Dec, 2023	31st Dec, 2022
Income Received In Advance		
Rent Equalisation Reserve		
Others		
Total	-	-

Note 13: Other Current Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Income Received in Advance		
Advance receipts from Customers for which value is still to be given	73,96,500	73,96,500
Statutory Dues	5,15,19,73,838	4,25,53,33,493
Rent Equalisation Reserve		
Fractional entitlement on Bonus Share Refund Accounts		
Others		
Total	5,15,93,70,338	4,26,27,29,992.8

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 15: Employee Benefit Obligations

Particulars	31st Dec, 2023			31st Dec, 2022		
	Non-Current	Current	Total	Non-Current	Current	Total
Leave Entitlement	-		-	-	-	-
Gratuity	-		-	-	-	-
Other Employee benefits payable	-	27,78,82,302	27,78,82,302	-	26,08,92,281	26,08,92,281
Total	-	27,78,82,302	27,78,82,302	-	26,08,92,281	26,08,92,281

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Indonesia
Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 17: Revenue from Operations

Particulars	31st Dec, 2023	31st Dec, 2022
Sale of Services	74,96,04,71,214	46,26,25,55,094
Other Operating Revenue	-	-
-Liabilities no longer required written back		-
-Education and Training Revenue		-
-Miscellaneous Receipts	-	-
Total	74,96,04,71,214	46,26,25,55,094

Note 18: Other Income and other gains/(losses)
(a) Other Income

Particulars	31st Dec, 2023	31st Dec, 2022
Interest Income		
-On Bank Deposits	21,29,48,188	1,24,02,749
-On Others		
-On Loan to related party	-	-
-On Income Tax Refund	-	-
Dividend Income		
-From Subsidiaries		-
-From Mutual Fund Investments		-
Rental Income		-
Facilities and Support Services fees	-7,05,10,65,345	(3,60,80,17,321)
Consultancy income		
Liabilities no longer required written back		-
Miscellaneous Income	15,93,012	-
Total	-6,83,65,24,146	(3,59,56,14,571)

(b) Other gains (net)

Particulars	31st Dec, 2023	31st Dec, 2022
Profit on sale of property, plant and equipment (Net)	-	-
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	12,36,56,739	4,79,43,670
Total	12,36,56,739	4,79,43,670

Note 19: Employee Benefit Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Salaries Wages and Bonus	8,12,03,89,138	4,50,80,92,842
Contribution to Provident and Other Funds	-	-
Gratuity	-	2,00,66,440
Employees Share based payment expense	-	-
Staff Welfare Expenses	26,34,37,305	1,58,95,554
Compensated absences	-	-
Staff Training, Recruitment and Other Costs	80,42,72,994	6,94,97,900
Incentives to Staff	1,02,75,27,934	65,40,03,821
Total	10,21,56,27,370	5,26,75,56,557

Note 20: Depreciation and Amortisation Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Depreciation on Tangible Assets	1,81,73,44,304	1,18,18,96,849
Amortisation on Intangible Assets	-	-
Depreciation and amortisation expense	3,80,64,546	3,27,23,763
Total	1,85,54,08,849	1,21,46,20,612

Note 21: Other Expenses

Particulars	31st Dec, 2023	31st Dec, 2022
Rent	5,33,10,862	4,20,11,933
Stores and tools consumed	1,13,10,05,581	9,56,91,670
Electricity	30,00,000	77,34,000
Repairs to Building	-	-
Repairs to Plant and machinery	-	-
Repairs to Others	62,02,62,121	2,88,74,500
Insurance	3,02,54,306	5,20,20,872
Rates and Taxes	5,00,000	-
Licence Fees	18,55,78,469	7,67,65,580
Security Services	-	-
Travelling Expenses	1,25,02,41,482	24,04,41,384
Vehicle Running and Maintenance Expenses	12,00,000	-
Directors Sitting Fees	-	39,04,000
Commission to Directors	-	-

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Legal and Professional Charges (refer note 21 (a))	51,24,07,896	37,61,52,772
Payment to Auditors - As Auditors Statutory and limited review	7,16,49,875	4,10,96,000
Group Resource Cost [GRC]Expenses	2,45,15,26,375	1,59,89,82,812
Printing and Stationery	1,14,87,857	30,77,476
Equipment hire charges	2,68,23,500	8,12,88,965
Water charges	-	-
Communication expenses	8,67,91,704	5,19,56,032
Lease expenses - Others	-	-
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	39,69,76,792	1,26,96,82,715
Freight Currency Shipment	-	-
Bad Debts and Advances Written Off	-	(44,26,41,797)
Provisions for doubtful debts and Advances (net off bad debt written off)	-	-
Expenditure towards CSR (refer note 21 (b))	-	-
Donations	-	-
Loss on sale of property, plant and equipment (Net)	-	-
Inter Compnay Management Fee (Expenses)	-	-
Miscellaneous Expenses	21,70,29,395	4,12,93,978
Total	**7,05,00,46,216**	**3,56,83,32,892**

Legal and professional charges includes payment to auditors

Note 21 (a): Details of payments to auditors included in Row 75 -"Legal and Professional Charges" above

Particulars	31st Dec, 2023	31st Dec, 2022
Payment to auditors		
As auditor:		
-Statutory Audit		
-Tax audit		
-Miscellaneous Reports		
In other capacities		
-Re-imbursement of expenses		
Total payments to auditors	-	-

Note 21 (b): Corporate social responsibility expenditure

Particulars	31st Dec, 2023	31st Dec, 2022
(a) Gross amount required to be spent by the Company during the year		
(b) Amount spent and paid during the year on		
Eradicating Hunger, Poverty & Malnutrition, Promoting Health-Care Including Preventive Health-Care And Sanitation		

Note 22: Finance Costs

Particulars	31st Dec, 2023	31st Dec, 2022
Interest and finance charges on financial liabilities not at fair value through profit and loss	(19,41,26,863)	(65,72,421)
Other Finance Charges	51,50,62,177	22,36,28,657
Interest Expenses ROU Liability	21,83,443	22,74,575
Total	**32,31,18,756**	**21,93,30,811**

Note 23: Income Tax Expense

Particulars	31st Dec, 2023	31st Dec, 2022
(a) Income tax expense		
Current tax		
Current tax on profits for the year	1,71,15,79,854	-
Adjustments for current tax of prior periods		
Total current tax expense	1,71,15,79,854	-
Deferred tax		
Decrease (increase) in deferred tax assets	-	18,72,500
(Decrease) increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	-	18,72,500
Income tax expense	1,71,15,79,854	18,72,500

Director/Authorised Signatory
Neeraj Goyal
Finance Controller

全国百强
会计师事务所
连续9年在榜

AAAAA级
税务师事务所
全国共40家

北京五十强
评估机构
连续5年在榜

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东审会【2024】D13-152号

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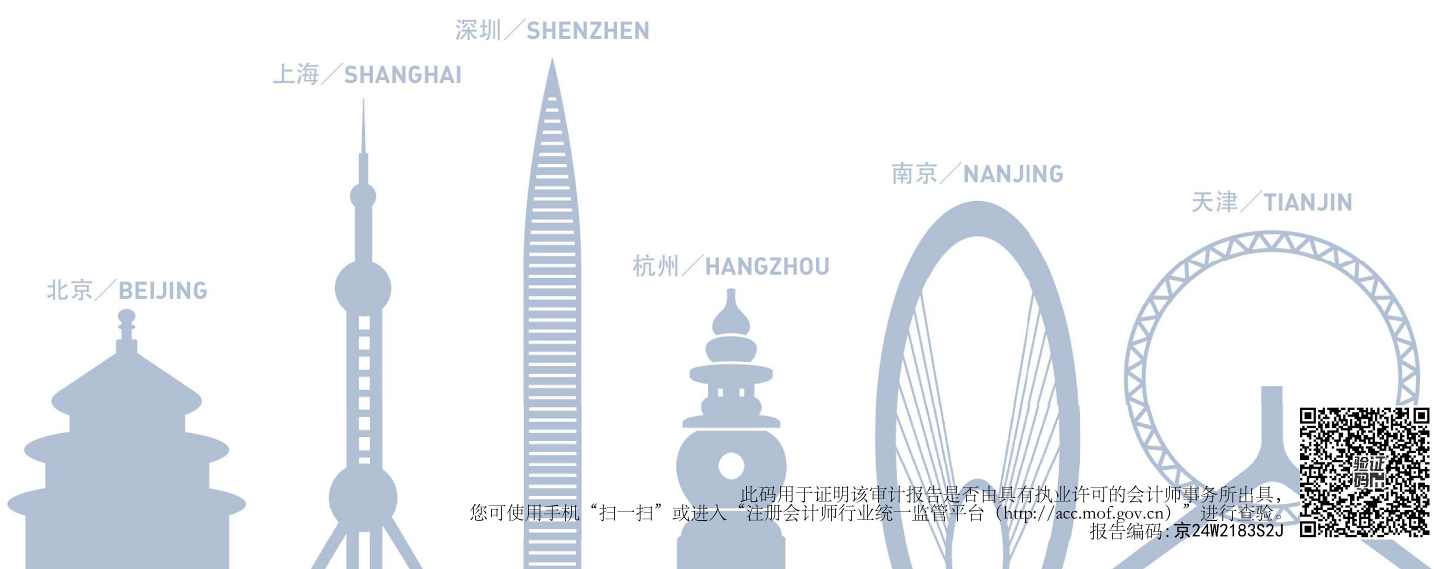

Digiphoto Entertainment Imaging (Shanghai) Co., Ltd.

2023Auditor’s Report

DSK [2024] D13-152 号

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北京东审会计师事务所（特殊普通合伙）

Auditor's Report

DSK [2024] D13-152 号

To all shareholders of Digiphoto Entertainment Imaging (Shanghai) Co., Ltd.:

I. Audit Opinion

We have audited the financial statements of Digiphoto Entertainment Imaging (Shanghai) Co., Ltd. (hereinafter referred to as the "Company"), including Balance Sheet as at December 31, 2023, and Income Statement, Cash Flow Statement and the Statement of Changes in Owners' Equity for the year then ended, as well as the Notes to Financial Statements.

In our opinion, the attached financial statements have been prepared in accordance with the Accounting System for Business Enterprises in all significant aspects, and have given fair views of the Company's financial position as at December 31, 2023, and the operating results and cash flows for the year then ended.

II. Basis for Forming Audit Opinion

We conducted the audit in accordance with the Chinese Certified Public Accountants Auditing Standards. Our responsibilities under these Standards are further set forth in the Section "CPA's Responsibility for Auditing Financial Statements" hereunder. In accordance with the Code of Ethics for Chinese Certified Public Accountants, we are independent of the Company, and have fulfilled other responsibilities in respect of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Responsibilities of the Management and the Executives for Financial Statements

The Company's management (hereinafter referred to as the management) is responsible for preparing the financial statements which should give fair view in accordance with the Accounting System for Business Enterprises, and designing, executing and maintaining necessary internal control, so that the financial statements are free from material misstatement, whether due to fraud or errors.

In preparation of the financial statements, the management is responsible for evaluating the Company's ability of going concern, disclosing the matters related to going concern (if applicable), and utilizing the going concern assumptions, unless the management plans to liquidate the Company, or terminate operation or does not have any other practical choices.

The executives are responsible for supervising the process of the Company's financial reporting.

IV. CPA's Responsibility for Auditing Financial Statements

Our goal is to obtain reasonable assurance as to whether the financial statements in the whole are free from material misstatement, whether due to fraud or errors, and to issue the auditor's report including the audit opinion. The reasonable assurance is at high level, but cannot guarantee that audit in line with the auditing standards will always discover certain material misstatement if any. Misstatement might be caused by fraud or errors. If it is reasonably anticipated that misstatement might independently or together affect the economic decisions made by the users of the financial statements based on the financial statements, then, it is generally assumed that the misstatement is material.

In the course of audit performed in accordance with the auditing standards, we make our professional judgment and maintain the professional skepticism. Meanwhile, we also perform the following work:

(I) To identify and evaluate the material misstatement risks of the financial statements whether due to fraud or errors, design and implement the audit procedures to cope with these risks, and obtain sufficient and appropriate audit evidence as the basis for the audit opinion. As fraud might involve collusion, forging, intentional omission or false statement or overrides the internal control, the risk in failure to discover the material misstatement due to fraud overrides the risk in failure to discover the material misstatement due to errors.

(II) To understand the audit related internal control, in order to design appropriate procedures, but not for the purpose of expressing opinion on the effectiveness of the internal control.

(III) To evaluate the appropriateness of the accounting policies used by the management, and the reasonableness of the accounting estimates and relevant disclosures made by the management.

(IV) To make conclusions on appropriateness of the going concern assumptions used by the management, and make conclusions on material uncertainty of the matters or circumstances that are likely to materially challenge the Company's ability of going concern based on the obtained audit evidence at the same time. If our conclusions hold that there is material uncertainty, the auditing standards require we remind the users of the statements of the relevant disclosures in the financial statements in our auditor's report; if the disclosures are insufficient, we should express unqualified opinion. Our conclusions are based on the information available as of the date of the auditor's report. However, the future matters or circumstances might disqualify the Company from going concern.

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(V) To evaluate the overall presentation, structure and contents (including disclosures) of the financial statements, and evaluate whether the financial statements give fair view on the relevant transactions and matters.

We have communicated the planned audit scope, schedule and material audit discoveries with the executives, including the internal control defects that have been identified by us in the course of audit and should be paid attention to.

This audit report shall not be used in securities markets such as listing, bond issuance and the New Third Board, and shall not be used for investment and financing, performance gambling and use with securities qualification needs, and the consequences caused by improper use beyond the scope shall have nothing to do with the certified public accountants and the accounting firm performing this audit business.

Beijing Dongshen Certified Public Accountants (LLP).(official seal)

Beijing, China

June 24 ,2024

Chinese CPA:

Chinese CPA:

Balance Sheet

December 31, 2023

KQ Form 01

Prepared by: Digiphoto Entertainment Imaging (Shanghai) Co., Ltd. Currency: Rmb

Assets	Notes	Year-closing balance	Year-opening balance
Current Assets:			
Cash and cash equivalents	1	5,564,520.80	4,545,208.57
Financial assets measured at fair value through profit or loss for the current period	2		
Derivative financial assets	3		
Notes receivable	4		
Accounts receivable	5	13,766,130.01	8,323,944.17
Receivables financing	6		
Advances to suppliers	7	1,380,729.51	4,725,565.21
Others receivables	8	4,083,230.05	330,096.91
Inventories	9	4,772,895.97	2,801,818.56
Contract assets	10		
Hold for sale assets	11		
Non-current assets due within one year	12		
Other current assets	13	385,600.00	260,760.00
Total Current Assets	14	**29,953,106.34**	**20,987,393.42**
Non-current Assets:			
Financial assets available for sale	15		
Held-to-maturity investment	16		
Long-term accounts receivable	17		
Long-term equity investments	18		
Investment Properties	19		
Fixed assets at net book value	20	4,735,768.42	3,455,246.09
Including:Fixed assets at net book value	21	4,735,768.42	3,455,246.09
Fixed assets pending disposal	22		
Construction in progress	23		
Live stock assets	24		
Oil and gas assets	25		
Right assets	26		
Intangible assets	27		
Capitalized research and development expenses	28		
Goodwill	29		
Long-term prepaid assets	30		
Deferred income tax assets	31		
Other non-current assets	32		
Total Non-current Assets	33	**4,735,768.42**	**3,455,246.09**
Total Assets	34	**34,688,874.76**	**24,442,639.51**

Responsible official of enterprise: **Finance employee in charge:** **Principal of Accounting Firm:**

Balance Sheet

December 31, 2023

KQ Form 01

Prepared by:Digiphoto Entertainment Imaging (Shanghai) Co., Ltd. Currency: Rmb

Liabilities & Owners' Equity	Notes	Year-closing balance	Year-opening balance
Currents Liabilities:			
Short-term loans	35		1,940,654.78
Financial liabilities measured at fair value through profit or loss for the current period	36		
Derivative financial liabilities	37		
Including:Notes payable	38		
Accounts payable	39	42,039,205.65	33,691,793.69
Accounts advanced from customers	40		1,540.00
Contract liability	41		
Salary and wages payable	42	140,133.31	79,553.01
Taxes and dues payable	43	-56,707.97	-82,582.10
Others payables	44	3,871,841.40	123,002.72
Held for sale debt	45		
Non-current liabilities due within one year	46		
Others current liabilities	47	11,769,658.88	9,538,889.78
Total Current Liabilities	48	**57,764,131.27**	**45,292,851.88**
None current liabilities:			
Long-term loans	49		
Debentures payable	50		
Debentures payable-Preferred Stock	51		
Debentures payable-Perpetual debt	52		
Payables due after one year	53		
Including:Payables due after one year	54		
Government grants payable	55		
Provisions	56		
Deferred income	57		
Deferred income tax liabilities	58		
Other non-current liabilities	59		
Total Non-current Liabilities	60		
Total Liabilities	61	**57,764,131.27**	**45,292,851.88**
Owners' Equity(or shareholder's equity):			
Paid in capital(or equity capital)	62	14,200,331.92	14,200,331.92
Other equity instruments	63		
Including:Other equity instruments-Preferred Stock	64		
Other equity instruments-Perpetual debt	65		
Capital surplus	66		
Minus:Retained stock	67		
Other comprehensive income	68		
Special reserve	69		
Surplus reserve	70		
Undistributed profit	71	-37,275,588.43	-35,050,544.29
Total Owners' Equity	72	**-23,075,256.51**	**-20,850,212.37**
Total Liabilities & Owners' Equity	73	**34,688,874.76**	**24,442,639.51**

Responsible official of enterprise: **Finance employee in charge:** **Principal of Accounting Firm:**

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Income Statement

Year 2023

KQ Form 02

Prepared by:Digiphoto Entertainment Imaging (Shanghai) Co., Ltd.

Currency: Rmb

Items	Notes	Year-closing balance	Year-opening balance
I.Sales of operations	1	54,907,728.59	26,526,684.92
Less: Cost of operations	2	49,482,653.57	30,301,645.78
Sales tax and additions	3		
Selling and distribution expenses	4		
General and administrative expenses	5	5,979,717.46	9,324,922.46
Research and development expenses	6		
Financial expenses	7	1,079,012.71	430,041.85
Including:Interest expenses	8	9,752.00	347,959.61
Interest income	9	8,561.14	31,213.50
Add:Miscellaneous incomes	10		
Investment income (loss expressed with "-")	11		
Including:Income from associates and joint ventures	12		
Income from changes in fair value (loss expressed with "-")	13		
Impairment of assets	14	-528,526.00	
Disposal of assets(loss expressed with "-")	15		
II.Operating income (loss expressed with "-")	16	**-2,162,181.15**	**-13,529,925.17**
Add:Non-operating income	17		16,500.00
Less:Non-operating expense	18	62,863.00	1,154,792.49
III.Total income	19	**-2,225,044.15**	**-14,668,217.66**
Less:Income tax	20		
IV.Net income (loss expressed with "-")	21	**-2,225,044.15**	**-14,668,217.66**
Continuous operation Profit/loss	22	-2,225,044.15	-14,668,217.66
Terminate the operation Profit/loss	23		
V.Each component of other comprehensive income, net of income tax effect	24		
1. Other comprehensive income which will not be reclassified subsequently to profit or loss	25		
1.1 Remeasure set benefit plan changes	26		
1.2 Other comprehensive income that cannot be transferred to profit or loss under the equity method	27		
……	28		
2. Other comprehensive income which will be reclassified subsequently to profit or loss when specific conditions are met	29		
2.1 Other comprehensive income under the equity method	30		
2.2 Changes in fair value of financial assets available for sale	31		
2.3 Investments held to maturity are reclassified as profits and losses of marketable financial assets	32		
2.4 The effective part of cash flow hedging profit and loss	33		
2.5 Translation differences arising on translation of foreign currency financial statements	34		
……	35		
VI.Total comprehensive earning	36	**-2,225,044.15**	**-14,668,217.66**
VII.Earning Per Share			
1.Primary earnings per share	37		
2.Diluted earnings per share	38		

Responsible official of enterprise: **Finance employee in charge:** **Principal of Accounting Firm:**

Cash Flow Statement

Year 2023

KQ Form 03

Prepared by: Digiphoto Entertainment Imaging (Shanghai) Co., Ltd. Currency: Rmb

Items	Notes	Year-closing balance	Year-opening balance
I. Cash Flows From Operating Activities			
Cash received from sale of goods or rendering of services	1	53,329,361.47	25,736,846.39
Refund of tax and levies	2		
Other cash received relating to operating activities	3	1,654,458.53	12,755,982.44
Sub-total of cash inflows from operating activties	4	54,983,820.00	38,492,828.83
Cash paid for goods and services	5	18,430,059.76	12,675,103.39
Cash paid to and on behalf of employees	6	23,429,114.00	17,091,246.72
Payments of all types of taxes	7	1,748,500.53	117,875.60
Other cash paid relating to operating activities	8	5,462,150.58	10,479,714.95
Sub-total of cash outflows from operating activties	9	49,069,824.87	40,363,940.66
Net cash flows from operating activities	10	5,913,995.13	-1,871,111.83
II. Cash Flows From Investing Activities			
Cash received from recovery of investments	11		
Cash received from returns on investments	12		
Net cash received from disposal of fixed assets, intangible assets & other long-term assets	13		
Net cash from disposal of Subsidiary and other operating entitie	14		
Other cash received relating to investing activities	15		
Sub-total of cash inflows from investing activities	16		
Cash paid to acquire fixed assets, intangible assets & other long-term assets	17	2,944,276.12	148,569.00
Cash paid to acquire investments	18		
Net cash obtained from subsidiary and other operating entities	19		
Other cash payments relating to investing activities	20		
Sub-total of cash outflows from investing activities	21	2,944,276.12	148,569.00
Net cash flows from investing activities	22	-2,944,276.12	-148,569.00
III.Cash Flows From Financing Activities			
Cash received from capital contribution	23		2,612,471.60
Cash received from borrowings	24		
Other cash received relating to financing activities	25		
Sub-total cash flows from financing activities	26		2,612,471.60
Cash repayments of amounts borrowed	27	1,940,654.78	
Cash payments for interest expenses and distribution of dividends or profit	28	9,752.00	
Other cash payments relating to financing activities	29		
Sub-total cash flows from financing activities	30	1,950,406.78	
Net cash flows from financing activities	31	-1,950,406.78	2,612,471.60
IV. Effect Of Foreign Exchange Rate Changes On Cash	32		
V. Net Increase/(Decrease) In Cash And Cash Equivalents	33	1,019,312.23	592,790.77
Add：Cash and cash equivalents at the beginning of the year	34	4,545,208.57	3,952,417.80
VI.Cash and cash equivalents at the end of the year	35	5,564,520.80	4,545,208.57

Responsible official of enterprise: **Finance employee in charge:** **Principal of Accounting Firm:**

Statement of Changes in Equity

Year 2023

KQ Form 04

Prepared by:Digiphoto Entertainment Imaging (Shanghai) Co., Ltd. Currency: Rmb

Items	Notes	Current Year										
		Paid in capital(or equity capital)	Other equity instruments			Capital surplus	Less: Treasury Stock	Other comprehensive income	Special reserve	Surplus Reserve	Undistributed Profits	Total owner's equity
			Preferred Stock	Perpetual debt	Others							
I. Closing balance last year	1	14,200,331.92									-35,050,544.29	-20,850,212.37
Add:Change in accounting policy	2											
Corrections of prior period errors	3											
Others	4											
II. Opening balance this year	5	14,200,331.92									-35,050,544.29	-20,850,212.37
III. Fluctuation amount this year (decrease expressed with "-")	6										-2,225,044.14	-2,225,044.14
1.Total comprehensive income	7										-2,225,044.15	-2,225,044.15
2.Owners' capital of input and decrease	8											
2.1.Owner of the common shares	9											
2.2.Holders of other equity instruments invested capital	10											
2.3.Shares included in the owners' equity	11											
2.4.Others	12											
3.Profit distribution	13											
3.1.Appropriation of surplus reserve	14											
3.2.Distribution to owners	15											
3.3.Others	16											
4.Internal transfer of owners' equity	17											
4.1.Capital surplus to increase capital(or equity capital)	18											
4.2.Surplus reserve to increase capital(or equity capital)	19											
4.3.Surplus reserve making up losses	20											
4.4.Setting up benefit plans to transfer retained Income	21											
4.5.Others	22											
5.Others											0.01	0.01
IV.Closing balance this year	23	14,200,331.92									-37,275,588.43	-23,075,256.51

Responsible official of enterprise: **Finance employee in charge:** **Principal of Accounting Firm:**

Statement of Changes in Equity

Year 2023

KQ Form 04

Prepared by:Digiphoto Entertainment Imaging (Shanghai) Co., Ltd.

Currency: Rmb

Items	Notes	Previous Year										
		Paid in capital(or equity capital)	Other equity instruments			Capital surplus	Less: Treasury Stock	Other comprehensive income	Special reserve	Surplus Reserve	Undistributed Profits	Total owner's equity
			Preferred Stock	Perpetual debt	Others							
I. Closing balance last year	1	11,587,860.32									-20,956,172.08	-9,368,311.76
Add:Change in accounting policy	2											
Corrections of prior period errors	3											
Others	4											
II. Opening balance this year	5	11,587,860.32									-20,956,172.08	-9,368,311.76
III. Fluctuation amount this year (decrease expressed with "-")	6	2,612,471.60									-14,094,372.21	-11,481,900.61
1.Total comprehensive income	7										-14,668,217.66	-14,668,217.66
2.Owners' capital of input and decrease	8	2,612,471.60										2,612,471.60
2.1.Owner of the common shares	9	2,612,471.60										2,612,471.60
2.2.Holders of other equity instruments invested capital	10											
2.3.Shares included in the owners' equity	11											
2.4.Others	12											
3.Profit distribution	13											
3.1.Appropriation of surplus reserve	14											
3.2.Distribution to owners	15											
3.3.Others	16											
4.Internal transfer of owners' equity	17										573,845.45	573,845.45
4.1.Capital surplus to increase capital(or equity capital)	18											
4.2.Surplus reserve to increase capital(or equity capital)	19											
4.3.Surplus reserve making up losses	20											
4.4.Setting up benefit plans to transfer retained Income	21											
4.5.Others	22										573,845.45	573,845.45
IV.Closing balance this year	23	14,200,331.92									-35,050,544.29	-20,850,212.37

Responsible official of enterprise: **Finance employee in charge:** **Principal of Accounting Firm:**

Digiphoto Entertainment Imaging (Shanghai) Co., Ltd.

Notes to Financial Statements

December 31, 2023

(Unless otherwise specified, the amounts are stated in RMB)

I. Company Background

Digiphoto Entertainment Imaging (Shanghai) Co., Ltd. (hereinafter referred to as the "Company") was established on May 6, 2014,Uniform Social Credit Code: 91310000088552167H; Type of Company: Limited Liability Company (wholly-owned by foreign legal person); Registered Address: Room 3631, 7th floor, 111 Fengpu Avenue, Fengxian Industrial Zone, Fengxian District, Shanghai; Registered Capital: $2,200,000.00; Operation Period: 30 years; Legal Representative: NIXEN PAUL FRANCIS.

The Company's business scope includes:photographic production, art photography, general photography library service, photo expansion service, photo processing and other services by computer, photographic equipment, electronic products, digital products, office supplies, daily department stores, handicrafts and gifts (except cultural relics), import and export of metal products, wholesale, commission agent (except for auctions), and relevant supporting services (not involving state-owned trade management commodities, involving quota and license management commodities, the application shall be processed in accordance with the relevant provisions of the State) [Projects subject to approval according to law can only be carried out after approved by relevant departments].

II. Basis of Preparation of the Financial Statements

1. Basis of preparation

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Under the assumption of going concern, the Company recognizes and measures the actual events and transactions and prepares the financial statements in accordance with the Accounting Standards for Business Enterprises– Basic Standards enacted by the Ministry of Finance, 42 accounting standards, application guidelines and interpretations thereof, other relevant regulations, and the Notice of the Ministry of Finance on Revising and Printing the General Form for the Financial Statements in 2019 (CK [2019] No.6) (hereinafter collectively referred to as the “Accounting Standards for Business Enterprises”).

2. Going concern

The financial statements are presented based on the assumption of going concern. The Company has not engaged in any events or circumstances that challenge the Company’s ability of going concern over the 12 months at the end of the reporting period.

III. Compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company conform to the requirements of the Accounting Standards for Business Enterprises, and have given true and complete views on the Company’s financial position as of December 31, 2023, and other information related to operating results and cash flows for the year then ended.

IV. Significant Accounting Policies and Accounting Estimates of the Company

1. Accounting period

The Company’s accounting year begins on January 1 and ends on December 31 of every Gregorian calendar year. This reporting period ends on December 31, 2023.

2. Business cycle

The normal business cycle refers to the period from the date when the Company purchases the assets for processing to the date when the cash or cash equivalents are realized. The Company counts 12 months as a normal business cycle, and regards the business cycle as the classification criteria of the liquidity of the assets and liabilities.

3. Functional currency

The Company’s functional currency is Chinese Renminbi (“RMB”).

4. Accounting for foreign currency transactions

Any foreign currency transactions are translated into the amounts in the functional currency at the spot exchange rate ruling on the transaction date. On the balance sheet date, the monetary items denominated in foreign currencies are translated at the spot exchange rate ruling on the balance sheet date, and the exchange difference is recorded in the current profit and loss. The non-monetary items denominated in foreign currencies are translated at the spot exchange rate ruling on the transaction date. When the financial statements of overseas operation are translated, the asset and liability items in the balance sheet are translated at the spot exchange rate ruling on the balance sheet date, and the owners' equity item other than the "undistributed profits" item are translated at the spot exchange rate ruling when such items are incurred. The income and expense items in the income statements are translated at the spot exchange rate ruling on the transaction date (or approximate exchange rate). When the Company disposes of the overseas operation, the Company shall carry forward the translation difference of the foreign currency financial statements that is presented under the owners' equity item in the balance sheet and related to such overseas operations to the current profit and loss of the disposal period from the owners' equity item; if the overseas operation is disposed in part, the translation difference of the foreign-currency financial statements in question shall be calculated in proportion to disposal, and carried forward to the current profit and loss.

5. Recognition criteria of cash and cash equivalents

The Company's cash and cash equivalents include cash on hand, cash in bank available for payment at any time, and the Company's short-term and high liquidity investments that are readily convertible into cash of known amounts and have insignificant risks of change in value.

6. Financial instruments

When the Company becomes a party to the financial instrument contracts, a financial asset or financial liability is recognized. The financial assets and the financial liabilities are measured at fair value on initial recognition. The relevant transaction expenses of the financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are directly recorded in profits or losses; the relevant transaction expenses of the other kinds of financial assets and financial liabilities are recorded in the initial recognition amount.

(1) Determination method of the fair value of the financial assets and financial liabilities

The 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 on the measurement date. If the financial instruments have an active market, the Company will determine the fair value of the financial instruments at its quoted price in the active market. The quoted price in the active market is the price that is easily available from the stock exchange, the broker's agency, the industry association and the pricing service institutions on a regular basis, and represents the actual market price in the arm's length transaction. If the financial instruments do not have an active market, the Company determines the fair value thereof using the valuation techniques. The valuation techniques include reference to the price used by the parties who are familiar with the situations and are willing to enter transactions, current fair value of other substantially equivalent financial instruments, cash flow discounting method and option pricing model.

(2) Classification, recognition and measurement of the financial assets

The financial assets that are purchased or sold conventionally are recognized and derecognized by the trading day. The financial assets are classified into financial assets at FVTPL, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

① Financial assets at FVTPL

The financial assets at FVTPL include the held-for-trading financial assets and the financial assets that are designated at fair value through profit or loss. The Company's financial assets at FVTPL are held-for-trading financial assets.

The held-for-trading financial assets refer to the financial assets that meet any of the following conditions: A. Such financial assets are acquired primarily for sale in the near future; B. Such financial assets are a part of the identifiable financial instrument combination under centralized management, and there is objective evidence that the Company manages such combination in such way making profits in a short term recently; C. Such financial assets are the derivative instruments, but the derivative instruments that are designated as and are hedging instruments, the derivative instruments that are financial guarantee contracts, and the derivative instruments that are linked with the equity instruments without a quoted price in an active market and reliable fair value and must be settled by delivery of such equity instruments are excluded.

The held-for-trading financial assets are subsequently measured at fair value, and the gains or losses incurred by changes in fair value, and the dividends and interest income related to such financial assets are recognized in the current profit and loss.

The financial assets that meet any of following conditions may be designated as financial assets at FVTPL on initial recognition: A. Such designation may eliminate or significantly reduce inconsistence arising from recognition or measurement of gains or losses incurred by different measurement base of such financial assets; B. In accordance with the formal written documents regarding the risk management or investment strategies of the Company, the financial asset combination or the financial asset and financial liability combination in which such financial assets are incorporated is managed and evaluated at fair value, and reported to the key management.

② Held-to-maturity investments

The held-to-maturity investments are the non-derivative financial assets that have fixed maturity date and fixed or determinable recoverable amount, and the Company has express intention and ability to hold to maturity.

The held-to-maturity investments are subsequently measured at the amortized cost using the effective interest method, and the gains or losses incurred on derecognition, impairment or amortization is recognized in the current profit and loss.

The effective interest method is a method of calculating the amortized cost and interest income or expenditure of a financial asset or financial liability (including a group of financial assets or financial liabilities) at its effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash flows of the financial assets or financial liabilities through the expected life or where appropriate, a shorter period, to the current carrying amount of such financial assets or financial liabilities.

In calculation of the effective interest rate, the Company will estimate the future cash flows (excluding the future credit losses) by taking into account all contract terms and conditions of the financial assets or financial liabilities, and charges, transaction expenses and discount or premium that is paid or received to and from parties to the financial asset or financial liability contracts, and is a part of the effective interest rate.

③ Loans and receivables

The loans and receivables are the non-derivative financial assets that are not quoted in the active market, but have fixed or determinable receivable amount. The Company classifies the loans and receivable as notes receivable, accounts receivable, interest receivable, dividends receivable and other receivables.

The loans and receivables are subsequently measured at the amortized cost using the effective interest method, and the gains or losses incurred on derecognition, impairment or amortization is recognized in the current profit and loss.

④ Available-for-sale financial assets

The available-for-sale financial assets include the non-derivative financial assets that are designated available for sale on initial recognition, and the financial assets other than the financial assets at FVTPL, loans and receivables, and held-to-maturity investments.

The closing costs of the available-for-sale debt instrument investments are determined at the amortized cost, that is, the initial recognition amount net of the repaid principal, plus or less the accumulative amortized amount incurred by amortizing the difference between such initial recognition amount and the amount on the maturity date using the effective interest method, and net of the incurred impairment losses. The closing costs of the available-for-sale equity instrument investments are the initial acquisition costs.

Available-for-sale financial assets are subsequently measured at fair value, and gains or losses incurred by changes in fair value are recognized as other comprehensive income, and reversed through profit or loss when such financial assets are derecognized, except that the impairment loss, and exchange difference related to monetary financial assets denominated in foreign currencies and amortized cost are credited in the current profit and loss. However, the equity instrument investments that do not have quoted price in an active market and reliable fair value, and the derivative financial assets that are linked with such equity instruments and must be settled by delivery of such equity instruments are subsequently measured at cost.

Interest accrued on the available-for-sale financial assets during the holding period of such financial assets and the cash dividends announced to be paid by the investee are recognized in the investment income.

(3) Impairment of the financial assets

The Company assesses the carrying amounts of the financial assets other than the financial assets at FVTPL on each balance sheet date. If there is objective evidence that the financial assets are impaired, the impairment provision is calculated.

The Company tests the financial assets of single significant amounts for impairment separately; the financial assets of insignificant single amount are tested for impairment separately or are incorporated in the financial asset combination of similar credit risk features for impairment test. The financial assets that have not been impaired upon individual test (including financial assets of significant and insignificant single amounts) are incorporated in the financial asset combination of similar credit risk features for further impairment test. The financial assets of which the impairment loss has been recognized separately are not incorporated in the financial asset combination of similar credit risk features for impairment test.

① Impairment of held-to-maturity investments, and loans and receivables

The carrying amounts of the financial assets that are measured at cost or at the amortized cost are reduced to the present value of the estimated future cash flows, and the reduced amount is recognized as the impairment loss through profit or loss. After the impairment loss is recognized, if there is objective evidence that the value of such financial assets has been recovered, and such recovery is objectively related to the events that take place upon recognition of such losses, the previously recognized impairment loss is reserved, to the extent that the carrying amount of the financial assets after impairment loss is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

② Impairment of the available-for-sale financial assets

When the Company judges that the falling in the fair value of the available-for-sale equity instrument investments is significant or not temporary by taking into account the relevant factors, the available-for-sale equity instrument investments are impaired.

When the available-for-sale financial assets are impaired, the accumulated losses incurred by falling of the fair value that are previously included in other comprehensive income are reversed through profit or loss. Such reversed accumulated losses are the balance of the initial acquisition costs of such assets net of the recovered principal, the amortized amounts, the current fair value and the impairment losses that are previously included in the profit and loss.

After the impairment loss is recognized, if, subsequently, there is objective evidence that the value of such financial assets has been recovered, and such recovery is objectively related to the events that take place upon recognition of such losses, the previously recognized impairment loss is reversed. The impairment losses of the available-for-sale equity instrument investments are reversed and recognized as other comprehensive income, and the impairment losses of the available-for-sale debt instruments are reversed through profit or loss.

The impairment losses of the equity instrument investments that do not have quoted price in the active market and reliable fair value, and the impairment losses of the derivative financial assets that are linked with such equity instruments and must be settled by delivery of such equity instruments are not reversed.

(4) Recognition basis and measurement methods for transfer of the financial assets

The financial assets are derecognized when any of the following conditions are met: ① the contractual rights to receive the cash flows of such financial assets are terminated; ② such financial assets have been transferred, and substantially all the risks and rewards of ownership of the financial assets are transferred to the transferee; or ③ such financial assets have been transferred, but the Company has waived control on such financial assets even though the Company has neither transferred nor retained substantially all risks and rewards of ownership of the financial assets.

If the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial assets, nor waived control on such financial assets, then, the relevant financial assets are recognized to the extent of continuous involvement in the transferred financial assets, and the relevant liabilities are recognized accordingly. Continuous involvement in the transferred financial assets refers to the risk exposure caused to the Company by changes in values of such financial assets.

When overall transfer of the financial assets meet the derecognition conditions, the difference between the carrying amount of the transferred financial assets and the sum of consideration paid for consideration and accumulative changes in fair value that are previously recognized in other comprehensive income is recognized in the current profit and loss.

When partial transfer of financial assets meets the derecognition conditions, the carrying amounts of the transferred assets are amortized to the derecognized financial assets and non-derecognized financial assets at their relative fair values, and the difference between the sum of the consideration paid for transfer and the accumulative changes in fair value that is previously recognized in other comprehensive income and should be amortized to the derecognized financial assets, and the aforesaid carrying amounts is credited in the current profit and loss.

When the Company transfers the financial assets that are sold by attaching the right of recourse, or the endorsed financial assets, the Company shall confirm that substantially all the risks and rewards of the ownership of such financial assets have been transferred. If substantially all the risks and rewards of the ownership of such financial assets have been transferred to the transferee, such financial assets are derecognized; if substantially all the risks and rewards of the ownership of the financial assets are retained, such financial assets are not derecognized; if the Company has neither transferred nor retained substantially all the risks and rewards of the ownership of the financial assets, then, the Company shall judge whether to retain control over such assets, and conduct accounting treatment on the principles as set out in the foregoing paragraphs.

(5) Classification and measurement of the financial liabilities

The financial liabilities are classified as financial liabilities at FVTPL and other financial assets on initial recognition. The financial liabilities are initially measured at fair value. The relevant transaction expenses of the financial liabilities at FVTPL are directly recognized in the current profit and loss; the relevant transaction expenses of other financial liabilities are recognized in the initial recognition amount.

① Financial liabilities at FVTPL

The conditions and classification of the held-for-trading financial liabilities and the financial liabilities designated at FVTPL on initial recognition are consistent with the conditions of the held-for-trading financial assets and the financial asset designated at FVTPL on initial recognition.

The financial liabilities are subsequently measured at fair value, and gains or losses incurred by changes in fair value, and the dividends and interest expenditures related to such financial liabilities are recognized in the current profit and loss.

② Other financial liabilities

The derivative finance liabilities that are linked with the equity instruments that are not quoted in an active market and whose fair value cannot be measured reliably, and must be settled by delivery of such equity instruments are subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, and gains or losses arising from derecognition or amortization is recognized in the current profit and loss.

③ Financial guarantee contracts

The financial guarantee contracts that are not the financial liabilities designated at fair value through profit or loss, are initially recognized at fair value, and subsequently measured at the higher of the amount determined according to the Accounting Standards for Business Standards No.13- Contingencies upon initial recognition or the initial recognition amount net of the accumulated amortized amounts determined on the principles under the Accounting Standards for Business Enterprises No.14- Income.

④ Loan commitments

The loan commitments that are not designated at fair value through profit or loss and have interest rate lower than the market interest rate are initially recognized at fair value, and subsequently measured at the higher of the amount determined according to the Accounting Standards for Business Standards No.13- Contingencies upon initial recognition or the initial recognition amount net of the accumulated amortized amounts determined on the principles under the Accounting Standards for Business Enterprises No.14- Income.

(6) Derecognition of the financial liabilities

If the present obligations of the financial liabilities have been cancelled in whole or part, such financial liabilities or a part thereof could be derecognized. If the Company (debtor) and the creditor sign an agreement, in which, the existing financial liabilities are replaced by the new financial liabilities, and the contract terms and conditions of the new financial liabilities are substantially different from that of the existing financial liabilities; the existing financial liabilities are derecognized, and the new financial liabilities are recognized at the same time.

If the financial liabilities are derecognized in whole or part, the difference between the carrying amounts of the derecognized financial liabilities and the consideration payment (including transfer-out non-cash assets or assumed new financial liabilities) is recognized in the current profit and loss.

(7) Derivative instruments and embedded derivative instruments

The derivative instruments are initially measured at fair value ruling on the date when the relevant contracts are signed, and are subsequently measured at fair value. The changes in fair value of the other derivative instruments are recognized in the current profit and loss.

If the hybrid instruments containing the embedded derivative instruments have not been designated as financial assets or financial liabilities at FVTPL; the embedded instruments are not closely related to such master contracts in terms of economic features and risks, and have the same conditions with the embedded derivative instruments, and the separate instrument conforms to the definition of derivative instrument, the embedded derivative instruments are separated from hybrid instruments, and recognized as separate derivative financial instruments. If it is impossible to separately measure the embedded derivative instruments on acquisition or subsequent balance sheet date, then the hybrid instrument is designated as financial asset or financial liability at FVTPL in the whole.

If the hybrid instruments have been separated on initial recognition, to the extent that the contract terms and conditions of the hybrid instruments are changed, and such changes have material impact on the original contractual cash flows of the hybrid instruments, then the Company shall re-evaluate whether the embedded derivative instruments should be separated.

(8) Offset of financial assets and financial liabilities

When the Company has the statutory rights to offset the recognized financial assets and financial liabilities, and such statutory rights are enforceable at present, to the extent that the Company plans to settle or realize such financial assets at net amount and discharge such financial liabilities at the same time, the financial assets and financial liabilities are presented in the balance sheet at the amounts upon offset. Otherwise, the financial assets and financial liabilities are presented in the balance sheet respectively without mutual offset.

(9) Equity instruments

The equity instrument is any contract that evidences a residual interest in the assets of the Company after deduction of all of its liabilities. The Company's issuance (including re-financing), repurchase, sale or cancellation of the equity instruments is recognized as changes in equity. The Company does not recognize the changes in fair value of the equity instruments. The transaction expenses related to equity transactions are deducted from the equity.

Allocations (excluding share dividends) made by the Company to the equity instrument holders eliminate the shareholders' equity. The Company does not recognize the changes in fair value of the equity instruments.

7. Receivables

The receivables include the accounts receivables and other receivables.

(1) Recognition criteria of bad debt reserves

The Company assesses the carrying amounts of the accounts receivable on the balance sheet date. Impairment provision is calculated if there is evidence that the accounts receivable are impaired as follows: ①The debtor has serious financial difficulty; ②The debtor violates the contract terms and conditions (e.g. default or overdue payment of interest or principal); ③The debtor is likely to be closed down or engages in other financial restructuring; ④There is other evidence that the accounts receivable are impaired.

(2) Calculation method of bad debt reserves

① Calculation method of accounts receivable of significant single amount and single bad debt reserves: the accounts receivable of significant single amount are individually tested for impairment. If there is evidence that the accounts receivable are impaired, the bad debt reserves are calculated at the difference between the present value of their future cash flows and their carrying amount.

If the accounts receivable of significant single amount have not been impaired upon separate test, the bad debt reserves are calculated in combination.

② Accounts receivable of insignificant single amount and single bad debt reserves

Reasons for single calculation of bad debt reserves	Accounts receivable involved in proceedings, and worsened credit status
Calculation method of bad debt reserves	The bad debt reserves are calculated at the difference between the present value of their future cash flows and their carrying amount

③ Accounts receivable with bad debt reserves calculated in combination

In respect of the accounts receivable that have not been impaired upon separate test (including accounts receivable of significant and insignificant single amounts), and the accounts receivables that have not been tested separately and have insignificant amount, the bad debt reserves are calculated in the combination of the following credit risk features:

Type of combination	Determination basis of combination	Calculation method of bad debt reserves in combination
Aging combination	Aging status	Aging analysis method

8. Inventories

(1) Classification of inventories: the inventories include raw materials, goods in process and self-made semi-finished, revolving materials, finished products and merchandise inventories.

(2) Valuation method of the acquired and delivered inventories: the inventories are measured at actual costs on acquisition. The costs of the inventories include the purchase costs, the processing costs and other costs. The received and delivered inventories are accounted for and measured based on the FIFO method/ weighted average method/ specific identification method/ planned cost; the difference between the planned cost and the actual cost is measured as the cost difference item; the cost difference of the delivered inventories will be carried over as scheduled, and the planned costs are adjusted as the actual cost.

(3) Recognition of the net realizable value of the inventories, and calculation method of the inventory

falling price reserves.

The net realizable value is the estimated selling price of the inventories in the ordinary course of business, net of the estimated costs to be incurred before completion, estimated marketing expenses and relevant taxes. The net realizable value of the inventories is determined based on the concrete evidence by taking into account the purpose for which the inventories are held and the influence of the matters after the balance sheet date.

On the balance sheet date, the inventories are measured at the lower of the cost and the net realizable value. When the net realizable value is lower than the cost, the inventory falling price reserves are calculated. The inventory falling price reserves are calculated at the difference of the costs of the single inventory item over its net realizable value.

After the inventory falling price reserves are calculated, if factors affecting the previously reduced inventory value have disappeared, as a result of which, the net realizable value of the inventories exceeds their carrying amounts, the falling price reserves are reversed at the previously calculated amount, and the reversed amount is recognized in the current profit and loss.

(4) The low-value consumables and the packaging materials are amortized using the one-off write-off method.

(5) On the balance sheet date, the Company shall measure the inventories at the lower of the cost of a single inventory item and the net realizable value. The inventory falling price reserves are calculated at the difference between the net realizable value and the inventory cost, and recognized in the current profit and loss. The net realizable value is determined at the estimated selling price in the normal business course, net of the estimated costs to be incurred before completion, the marketing expenses and the relevant taxes.

(6) The inventories are subject to perpetual inventory system.

9. Long-term equity investments

For the purpose of this section, the long-term equity investments refer to the long-term equity investments through which the Company has control, common control or significant influence on the investee. The long-term equity investments through which the Company does not have control, common control or significant influence are recognized as the available-for-sale financial assets or the financial assets at FVTPL. See Note IV. 6 “Financial instruments” for the accounting policies in detail.

Common control refers to the Company’s control over certain arrangements in accordance with the relevant contracts, and the decisions on the related activities of such arrangements must be agreed by the participants of the control power. Significant influence is recognized when the Company has the power to participate in deciding the financial and operation policies of the investee, but does not control or jointly control with others formulation of these policies.

(1) Initial measurement of the long-term equity investments

① In respect of the business merger under common control, the carrying amounts of the owners’ equity acquired from the merged party on the date of merger are the initial investment costs of the long-term equity investments. The difference between the initial investment costs of the long-term equity investments, and the carrying amounts of the cash payments, the transferred non-cash assets and the incurred liabilities eliminates the capital reserves; if the capital reserves are insufficient for offset, the retained earnings are adjusted. The direct relevant expenses incurred by merger are recognized in the current overhead expenses.

② In respect of the business merger under non-common control, the initial investment costs are the sum of the assets and liabilities paid and incurred or assumed by the acquirer, and the fair value of the equity securities issued by the acquirer. The direct relevant expenses incurred by merger are recognized in the current overhead expenses.

③ Long-term equity investments acquired by other means. The initial investment costs of the long-term equity investments acquired by cash payments are the actually paid purchase price; the initial investment costs of the long-term equity investments acquired by issuing the equity securities are the fair values of the issued equity securities; as to the long-term equity investments made by the investors, the initial investment cost is the value set out in the investment contract or agreement (deduction of the outstanding cash dividends or profits that have been announced), except that the value under the contract or agreement is unfair; to the extent that the non-monetary asset swap is of the business essential and the fair values of the swap-in assets or the swap-out assets can be measured reliably, the initial investment costs of the long-term equity investments arising from swap of the non-monetary assets are determined at the fair values of the swap-out assets, unless there is concrete evidence that the fair value of the swap-in asset is more reliable. In respect of the non-monetary asset swap that is inconsistent with the foregoing preconditions, the initial investment costs of the long-term equity investments equal to the carrying amounts of the swap-out assets and the payable taxes; in respect of the long-term equity investments arising from debt restructuring, the initial investment costs are determined at their fair values.

(2) Subsequent measurement of the long-term equity investments

① The long-term equity investments in the subsidiaries are measured using the cost method.

② The long-term equity investments that do not exert common control or significant influence on the investee, and do not have a quoted price in an active market, and reliable fair value are measured using the cost method.

③ The long-term equity investments that exert common control or significant influence on the investee are measured using the equity method.

④ The long-term equity investments that are subject to accounting under the cost method should be measured at the initial investment cost. The additional or returned investments shall eliminate the costs of the long-term equity investments. The cash dividends or profits announced to be distributed by the investee are recognized as the current investment income, whether the distribution of the relevant profits is the distribution of the net profits realized by the investee before or after investment.

⑤ As to the long-term equity investments under the equity method, if the initial investment costs exceed the fair value of the net identifiable assets of the investee at the time of investment, the initial investment costs of the long-term equity investments are not adjusted; if the initial investment costs are lower than the fair value of the net identifiable assets of the investee at the time of investment, the resulting difference should be recognized in the current profit and loss, and the costs of the long-term equity investments shall be adjusted at the same time. After the investor acquires the long-term equity investments, the investor shall recognize the investment gains or losses and adjust the carrying amounts of the long-term equity investments at the amounts of the net profits or losses to be shared or assumed in the investee. The investor accordingly reduces the carrying amounts of the long-term equity investments in proportion of the profits or cash dividends announced by the investee.

⑥ As to the long-term equity investments under the equity method, when the investor recognizes the net losses accrued in the investee, the carrying amounts of the long-term equity investments and other long-term equity that substantially constitutes net investments in the investee shall be written down to zero, except that the investor is obligated for the additional losses. If the investee realizes net profits subsequently, after the Company recovers the unrecognized losses with the gains sharing, the gains sharing is recognized upon recovery.

⑦ In respect of the long-term equity investments under the equity method, the investor shall adjust the carrying amounts of the long-term equity investments in connection with the changes to the owners' equity other than the net profits and losses of the investee, and recognize such changes in the owners' equity.

(3) Conversion and disposal of the long-term equity investments

When the long-term equity investments are disposed, the difference between their carrying amounts and the actual price payment shall be recognized in the current profit and loss. Under the equity method, the long-term equity investments which are recognized in the owners' equity due to other changes in the owners' equity apart from net profits and losses of the investee should be reversed through profit or loss at the corresponding proportion when such investments are disposed.

10. Fixed assets

Fixed assets refer to the tangible assets that are held for the purposes of commodity production, labor service rendering, lease and operation management, and have useful lives of more than one year.

(1) Initial measurement of the fixed assets

① The costs of the purchased fixed asset include the purchase price, the relevant taxes, and the transportation costs, the handling charges, the installation costs and the professional service fees incurred before the fixed assets are ready for their intended use.

② If payment for the purchase price of the fixed assets is delayed beyond the normal credit conditions, and is substantially of financing nature, the costs of the fixed assets are determined at the present value of the purchase price.

③ The costs of the self-built fixed assets are composed of the necessary expenditures incurred before such assets are ready for their intended use.

④ As to the fixed assets acquired by the debtors in the debt restructuring for debt repayment, their entry value is determined at their fair value, and the difference between the carrying amounts of the restructured debts and the fair value of such fixed assets for debt repayment is recognized in the current profit and loss;

(2) Subsequent measurement of the fixed assets

① Depreciation method of the fixed assets: from the next month after the fixed assets are ready for their intended use, the depreciation of the fixed assets is calculated using the straight-line method over the useful lives. The useful lives, estimated net residual values and the annual depreciation rates of the fixed assets are as follows:

Type of asset	Useful life	Residual value rate (%)	Annual depreciation rate (%)
Office furniture	5 years	0.00	20.00
Electronic equipment	3 years	0.00	33.33

② If the subsequent expenditures of the fixed assets meet the fixed asset recognition conditions, such expenditures shall be recognized in the costs of the fixed assets, and the carrying amounts of the replaced fixed assets shall be deducted at the same time; if the fixed asset recognition conditions are not met, such expenditures shall be recognized in the current profit and loss.

③ The fixed assets of the Company should be measured at the lower of the carrying amount and the recoverable amount at the end of the period. If the recoverable amount is lower than the carrying amount, the impairment provision of the fixed assets shall be calculated at the difference thereof. The impairment test method and the impairment provision calculation method of the fixed assets are set out in the Note IV. 14 “Impairment of long-term assets”.

(3) Disposal of the fixed assets

The proceeds from sale, transfer, retirement or disposal of the fixed assets, net of their carrying amounts and the relevant taxes, are recognized in the non-operating income or proceeds from disposal of assets

11. Construction in process

The costs of the Company’s construction in process are determined based on the actual expenditures.

When the construction in process is ready for the intended use, the construction in process is converted into the fixed assets at the actual engineering costs, and depreciation is calculated from the next month. If the completion settlement has not been conducted, the construction in process is converted into the fixed assets at the estimated value, and adjustment is made after the actual value is determined.

12. Intangible assets

(1) Initial measurement of the intangible assets

① The costs of the purchased intangible assets include the purchase price, the relevant taxes and other expenditures directly attributable to such assets before such assets are ready for their intended use.

② Intangible assets from the investors. The costs of the intangible assets from the investors shall be determined at the amount as set out in the investment contracts or agreements. If the amount under the investment contracts or agreements is unfair, the initial costs shall be the fair value of the intangible assets.

③ The acquired land use rights are generally recognized as intangible assets. As to the self-built plants and buildings, the relevant land use right expenditures and the construction costs of the buildings are recognized as intangible assets and fixed assets respectively. In case of acquired houses and buildings, then the relevant prices are allocated between the land use rights and the buildings. If it is hard to make allocation, all prices shall be recognized as the fixed assets.

(2) Subsequent measurement of the intangible assets

The amortized amounts of the intangible assets of limited useful lives shall be systematically and reasonably amortized over the useful lives in the anticipated realization manner of the economic benefits related to such intangible assets. If it is impossible to determine the anticipated realization manner, the intangible assets shall be amortized using the straight-line method.

The Company will test the intangible assets of indefinite useful life for impairment during each accounting period. If, upon impairment test, the intangible assets are impaired, then the corresponding impairment provisions shall be calculated.

(3) Disposal of the intangible assets

When the intangible assets are sold, the difference between the proceeds from sale and the carrying amounts of such intangible assets is recognized in the current profit and loss.

(4) Research and development ("R&D") expenditures

The Company's expenditures for the internal R&D projects are composed of the expenditures at the research stage and the expenditures at the development stage.

The expenditures at the research stage are recognized as current profit and loss when it's occurred.

The expenditures at the development stage are recognized as intangible assets when the following conditions are met. The expenditures at the development stage that are inconsistent with the following conditions are recognized in the current profit and loss:

① Such intangible assets are completed, so that it is technologically feasible to use or sell such intangible assets;

② The Company has intention to complete and use or sell such intangible assets;

③ The economic benefit generating mode of the intangible assets includes proving that the products made of such intangibles are marketable or the intangible assets have a market; if the intangible assets are used internally, the availability could be proved;

④ There are sufficient technological and financial resources and other resources to support development of such intangible assets, and the Company has ability to use or sell such intangible assets;

⑤ The expenditures of such intangible assets at the development stage can be measured reliably.

If the expenditures at the research stage and the expenditures at the development stage cannot be distinguished, the incurred R&D expenditures are recognized in the current profit and loss in full.

(5) The impairment test method and the impairment provision calculation method of the intangible assets.

The impairment test method and the impairment provision calculation method of the intangible assets are set out in the Note IV. 14 “Impairment of long-term assets”.

13. Long-term prepaid expenses

The long-term prepaid expenses are the expenses that have been incurred but shall be allocated to the reporting period and the subsequent periods which should be more than one year. The Company’s long-term prepaid expenses mainly include the overhauling expenditures of the fixed assets and the improvement expenditures of the leased fixed assets. The long-term prepaid expenses are amortized over the estimated benefit period using the straight-line method.

(1) The overhauling expenses in the deferred manner shall be amortized at average before the next overhauling; the improvement expenditures of the leased fixed assets shall be amortized at average over the lease term or the remaining useful lives of the leased assets, whichever is shorter; other long-term deferred expenses are amortized at average over the benefit period.

(2) The formation expenses incurred during the preparation period (other than acquisition of the fixed assets) are accrued in the long-term deferred expenses initially, and subsequently recognized in the profit and loss in lump sum in the month when the production and operation is commenced.

14. Impairment of the long-term assets

As to the fixed assets, the construction in process, the intangible assets of limited useful lives, the investment real estate measured at cost basis, the long-term equity investments in the subsidiaries, joint venture and associated enterprises, and other non-current non-financial assets, the Company judges whether there is impairment sign on the balance sheet date. If there is impairment sign, then their recoverable amount is estimated, and the impairment test is performed. The goodwill, the intangible assets of indefinite useful lives, and the intangible assets that have not been ready for intended use are tested for impairment every year whether there is impairment sign or not.

If the impairment test results indicate that the recoverable amount of the assets is lower than their carrying amounts, the impairment provision is calculated at the resulting difference, and the difference is recognized in the impairment loss. The recoverable amount is the higher of the fair value of an asset net of the disposal expenses, and the present value of the estimated future cash flows of such asset. The fair value of an asset is determined at the price under the sales agreement in the arm’s length transaction; if there is no sales agreement but there is active market, the fair value is determined at the purchase price of the buyer of such assets; in absence of both the sales agreement and the active market, the fair value of the asset may be estimated based on the best available information. The disposal expenses include the legal costs, the relevant taxes and the handling costs related to disposal of the assets, and the direct expenses incurred before such asset is ready for its intended use. The present value of the estimated future cash flows of the assets is determined by discounting the estimated future cash flows of the assets in the process of continuous use and final disposal at the appropriate discount rate. The asset impairment provision is calculated and determined based on the single asset. If it is hard to estimate the recoverable amount of the single asset, the recoverable amount of the asset group in which such asset is incorporated is determined. The asset group is the minimum asset combination that can independently generate cash inflows.

For goodwill which listed independently in the financial statements, the book values hall be amortized to the asset group or the asset group combination that are expected to benefit from the synergies of the business combination during the impairment test. If the test results indicate that the recoverable amount of the asset group or the asset group combination which involves the amortized goodwill is lower than the book value, the corresponding impairment loss is recognized. The impairment loss firstly eliminates the book value of the goodwill amortized to this asset group or the asset group combination, and then eliminates the book value of other assets in proportion to the book value of other assets other than goodwill in the asset group or the asset group combination.

Once the aforesaid asset impairment losses are recognized, the recovered value shall not be reversed during the subsequent periods.

15. Employee remuneration

The employee remuneration mainly includes short-term remuneration, post-separation benefits, dismissal benefits and other long-term employee benefits.

The short-term remuneration mainly includes salary, bonus, allowances and subsidies, employee welfare expenses, medical insurance, maternity insurance, work related injury insurance, housing provident fund, trade union dues and employee education funds, and non-monetary benefits. The Company recognizes short-term remuneration payable during the accounting period when the employees offer services as liabilities, and records such remuneration in the current profit and loss or the costs of the relevant assets. The non-monetary benefits are measured at their fair values.

The post-separation benefits mainly include basic pension insurance, unemployment insurance and annuity payment, etc. The post-separation benefit plans include the defined contribution plan. If the defined contribution plan is used, the corresponding payable amounts are recognized in the costs of the relevant assets or the current profit and loss.

If the Company terminates employment before the labor contract expires, or gives compensations to the employee to encourage them to accept termination voluntarily, the employee remuneration liabilities incurred by way of dismissal benefits are recognized through profit or loss when the Company is unable to withdraw the dismissal benefits given for termination of the labor relationship or downsizing proposal unilaterally, or the Company recognizes the costs of the restructuring involving payment of the dismissal benefits, whichever is earlier. However, if it is anticipated that the dismissal benefits cannot be paid in full in 12 months after the end of the annual report, the dismissal benefits are recognized as other long-term employee remunerations.

The employee internal retirement plan is subject to the same principles of the aforesaid dismissal benefits. The Company recognizes the salaries and the social insurance expenses for the internally retired personnel from the date when they stop providing services to the regular retirement date in the current profit and loss (dismissal benefits) when the recognition conditions of the estimated liabilities are met.

If other long-term employee benefits provided by the Company to the employees are consistent with the defined contribution plan, the accounting treatment is in accordance with the defined contribution plan. For all other cases, the accounting treatment is in accordance with the defined benefit plan.

16. Borrowing expenses

(1) Recognition principles of borrowing expenses

Any borrowing expenses incurred by the Company that are directly attributable to acquisition, construction or production of qualifying assets are capitalized and added to the costs of those assets; other borrowing expenses are recognized as expenditures through profit or loss when they arise.

The assets qualified for capitalization refer to fixed assets, investment real estate and inventories which may require a substantial period of time for acquisition, construction or production activities to get ready for their intended use or sale.

(2) Capitalization period of the borrowing expenses

① Commencement of capitalization: The capitalized interest on specific loans, the discount or premium and the exchange difference will start to be amortized when the following conditions are met: 1) The capital expenditures have been incurred; 2) The borrowing expenses have been incurred; and 3) The necessary acquisition and construction activities to get the assets ready for their intended use have been started.

② Suspension of capitalization: If the acquisition and construction activities of the fixed assets are abnormally interrupted, and the interruption exceeds 3 months or more, capitalization of the borrowing expenses is suspended, and is recognized as current expenses until the acquisition and construction activities of the assets are restarted.

③ Stopping of capitalization: When the acquired and constructed fixed assets are ready for their intended use, capitalization of the borrowing expenses is stopped.

(3) Determination of the capitalized amount of the loan interest

① If the loans are especially used for acquisition, construction or production of the qualifying assets, the capitalized amount shall be determined at the actual interest expenses of the specific loans, net of the interest income from deposit of the unused loans in the bank or the investment income from temporary investments of the loans.

② If the general loans are used for acquisition, construction or production of the qualifying assets, the company shall calculate and determine the interest amounts of the general loans that should be capitalized at the product of the excess of the accumulated asset expenditures over the weighted asset expenditure means of the special loans multiplied by the capitalization rate of the general loans.

(4) Treatment of foreign currency loans

During the capitalization period, the exchange difference of the principal and interest of the specific loans denominated in foreign currencies shall be capitalized. The exchange difference arising from the principal and interest of other foreign currency loans other than the specific loans denominated in foreign currencies shall be recognized in the financial expenses through profit or loss.

17. Income

If the contracts between the Company and the customers meet the following conditions, the Company shall recognize the income when the customers acquire control over the relevant commodities:

(1) Parties to the contracts have approved such contracts, and promise to fulfill their respective obligations;

(2) Such contracts expressly set forth the relevant rights and obligations of the parties to the contracts in connection with the transferred commodities or the provided labor services (hereinafter referred to as the "transferred commodities");

(3) Such contracts expressly set forth the payment terms related to the transferred commodities;

(4) Such contracts have business substance, that is, fulfillment of such contracts will change the risks, time distribution or amount of the future cash flows of the Company;

(5) The consideration that the Company has the right to receive from the customers in connection with the transferred commodities is likely recoverable.

18. Government subsidies

The government subsidies are the monetary assets or the non-monetary assets received by the Company from the governments at no cost, but exclude capital invested by the government as an investor with entitlement in the corresponding owners' equity. The government subsidies are composed of asset related government subsidies and income related government subsidies.

If the government subsidies are monetary assets, such subsidies are measured at the received or receivable amount. If the government subsidies are non-monetary assets, such subsidies are measured at fair value. If the fair value is unreliable, the subsidies are measured at nominal amount. The government subsidies measured at nominal amount are directly recognized in current profit and loss.

The government subsidies related to assets are recognized as deferred income, and allocated through profit or loss at average over the useful lives of the relevant assets. The income related government subsidies are subject to the following accounting as appropriate:

① The income-related government subsidies are recognized as deferred income if such subsidies are used for repaying the relevant expenses and losses during the subsequent periods, and recorded in current profit and loss during the period when the relevant expenses are recognized;

② If the income related government subsidies are used for repaying the relevant expenses and losses that have been incurred, such subsidies are directly recorded in current profit and loss.

The government subsidies related to both assets and income shall be subject to accounting treatment separately if such government subsidies could be distinguished. If it is hard to distinguish the asset related government subsidies and the income related government subsidies, such government subsidies are classified as the income related government subsidies as a whole.

The government subsidies related to daily activities of the Company are included in other income or to be offset against relevant costs and expenses based on the substance of the economic business; the government subsidies not related to daily activities are included in the non-operating revenue and expenditures.

19. Accounting method of corporate income tax

Corporate income tax is accounted for under the Balance sheet liability method. The income tax payable calculated during the current period is recognized as the current income tax expenses.

Settlement method: prepaid on a quarterly basis, and finally settled at the end of the year.

V. Changes to Significant Accounting Policies and Accounting Estimates, and Correction of Significant Accounting Errors

1. Changes to accounting policies

During the reporting period, the Company has not made any changes to accounting policies.

2. Changes to accounting estimates

During the reporting period, the Company has not made any changes to accounting estimates.

3. Significant accounting errors

During the reporting period, there were no significant accounting errors identified by the Company.

VI. Taxes

1. Main tax items and tax rates:

Tax item	Taxation Basis	Tax rate
Value added tax	The output tax shall be calculated on the basis of the sales of goods and taxable labor income calculated according to tax regulation, after deducting the currently deductible input tax, the different part shall be the VAT payable	13%、6%
Urban Construction tax	The circulation tax	7%
Educational surtax	The circulation tax	3%
Local educational surtax	The circulation tax	2%
Corporate income tax	Taxable income	25%

Individual income tax	——	——

VII. Notes on Main Items in Accounting Statements

1. Cash

Item	Year-closing balance	Year-opening balance
Cash on hand	67, 983. 06	61, 901. 65
Cash in bank	5, 496, 537. 74	4, 483, 306. 92
Total	5, 564, 520. 80	4, 545, 208. 57

2. Accounts receivable

① Aging analysis

Aging	Year-closing balance			Year-opening balance		
	Amount	Percentage	Bad debt reserves	Amount	Percentage	Bad debt reserves
Within 1 year	13, 766, 130. 01	100. 00%	0. 00	8, 323, 944. 17	100. 00%	0. 00
1-2 years	0. 00	0. 00%	0. 00	0. 00	0. 00%	0. 00
2-3 years	0. 00	0. 00%	0. 00	0. 00	0. 00%	0. 00
More than 3 years	0. 00	0. 00%	0. 00	0. 00	0. 00%	0. 00
Total	13, 766, 130. 01	100. 00%	0. 00	8, 323, 944. 17	100. 00%	0. 00

② Details of the debtors

Name of Company	Year-closing balance	Percentage in accounts receivable	Aging
Retail Customer	13, 016, 726. 40	94. 56%	Within 1 year

A/C Rec- inter com	749, 403. 61	5. 44%	Within 1 year
Total	13, 766, 130. 01	100. 00%	——

3. Prepayments

(1) Aging analysis

Aging	Year-closing balance		Year-opening balance	
	Amount	Bad debt reserves	Amount	Bad debt reserves
Within 1 year	1, 380, 729. 51	100. 00%	4, 725, 565. 21	100. 00%
1-2 years	0. 00	0. 00%	0. 00	0. 00%
2-3 years	0. 00	0. 00%	0. 00	0. 00%
More than 3 years	0. 00	0. 00%	0. 00	0. 00%
Total	1, 380, 729. 51	100. 00%	4, 725, 565. 21	100. 00%

(2) The details of the arrears are as follows

Name of Company	Year-closing balance	Percentage in Prepayments	Aging
Prepaid Expenses	563, 738. 80	40. 83%	Within 1 year
Vendor domestic(inv)	331, 680. 05	24. 02%	Within 1 year
Advance To Vendor	208, 009. 63	15. 07%	Within 1 year
ven-ser(interium)	155, 869. 60	11. 29%	Within 1 year
Capex advances	89, 790. 00	6. 50%	Within 1 year
合 计	1, 349, 088. 08	97. 71%	---

4. Others receivables

Item	Year-closing balance	Year-opening balance
Interest receivable	0. 00	0. 00

Dividends receivable	0. 00	0. 00
Others receivables	4, 083, 230. 05	330, 096. 91
Total	4, 083, 230. 05	330, 096. 91

(1) Others receivables

① Aging analysis

Aging	Year-closing balance			Year-opening balance		
	Amount	Percentage	Bad debt reserves	Amount	Percentage	Bad debt reserves
Within 1 year	4, 083, 230. 05	100. 00%	0. 00	330, 096. 91	100. 00%	0. 00
1-2 years	0. 00	0. 00%	0. 00	0. 00	0. 00%	0. 00
2-3 years	0. 00	0. 00%	0. 00	0. 00	0. 00%	0. 00
More than 3 years	0. 00	0. 00%	0. 00	0. 00	0. 00%	0. 00
Total	4, 083, 230. 05	100. 00%	0. 00	330, 096. 91	100. 00%	0. 00

② Details of the debtors

Name of Company	Year-closing balance	Percentage in others receivables	Aging
Intercompany Balance	4, 083, 230. 05	100. 00%	Within 1 year
Total	4, 083, 230. 05	100. 00%	——

5. Inventories

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Item	Year-closing balance		Year-opening balance	
	Carrying balance	Falling price reserve	Carrying balance	Falling price reserve
Merchandise inventories	4, 772, 895. 97	0. 00	2, 801, 818. 56	0. 00

Total	4, 772, 895. 97	0. 00	2, 801, 818. 56	0. 00

6. Other current assets

Type	Year-closing balance	Year-opening balance
Other current assets	385, 600. 00	260, 760. 00
Total	385, 600. 00	260, 760. 00

7. Fixed assets

Type	Year-closing balance	Year-opening balance
Fixed assets	4, 735, 768. 42	3, 455, 246. 09
Fixed assets to be disposed	0. 00	0. 00
Total	4, 735, 768. 42	3, 455, 246. 09

(1) Fixed assets

Type	Year-opening balance	Increase in period	Decrease in period	Year-closing balance
Original value of fixed assets	——	——	——	——
Machinery equipment	669, 447. 88	0. 00	72, 631. 74	596, 816. 14
Electronic equipment	5, 921, 482. 66	2, 944, 276. 12	0. 00	8, 865, 758. 78
Total	6, 590, 930. 54	2, 944, 276. 12	72, 631. 74	9, 462, 574. 92
Accumulated depreciation	——	——	——	——
Machinery equipment	189, 100. 37	38, 815. 15	0. 00	227, 915. 52
Electronic equipment	2, 946, 584. 08	1, 552, 306. 90	0. 00	4, 498, 890. 98
Total	3, 135, 684. 45	1, 591, 122. 05	0. 00	4, 726, 806. 50
Net value	3, 455, 246. 09	——	——	4, 735, 768. 42

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8. Short-term borrowing

Item	Year-closing balance	Year-opening balance
Credit borrowing	0. 00	1, 940, 654. 78
Total	0. 00	1, 940, 654. 78

9. Accounts payable

（1）Aging analysis:

Aging	Year-closing balance		Year-opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	42, 039, 205. 65	100. 00%	33, 691, 793. 69	100. 00%
1-2 years	0. 00	0. 00%	0. 00	0. 00%
2-3 years	0. 00	0. 00%	0. 00	0. 00%
More than 3 years	0. 00	0. 00%	0. 00	0. 00%
Total	42, 039, 205. 65	100. 00%	33, 691, 793. 69	100. 00%

（2）Details of creditors:

Name of Company	Year-closing balance	Percentage in accounts payable	Aging
Vendor-Import(inv)	41, 542, 707. 67	98. 80%	Within 1 year
Vendor Balance Reval	348, 118. 11	0. 83%	Within 1 year
Vendor - Services	107, 547. 55	0. 26%	Within 1 year
Liab for Fixed Asset	36, 934. 49	0. 09%	Within 1 year
Recharge Revaluation	3, 687. 90	0. 01%	Within 1 year
Total	42, 038, 995. 72	99. 99%	——

10. Accounts advanced from customers

（1）Aging analysis:

Aging	Year-closing balance		Year-opening balance	
	Amount	Percentage	Amount	原值占比
Within 1 year	0.00	0.00%	1,540.00	100.00%
1-2 years	0.00	0.00%	0.00	0.00%
2-3 years	0.00	0.00%	0.00	0.00%
More than 3 years	0.00	0.00%	0.00	0.00%
Total	0.00	0.00%	1,540.00	100.00%

11.Taxes and dues payable

Item	Year-closing balance	Year-opening balance
Value-added Tax	-56,707.97	-83,818.16
Withholding Tax - Salary	0.00	1,236.06
Total	-56,707.97	-82,582.10

12. Salary and wages payable

Item	Year-closing balance	Year-opening balance
Salary and wages payable	140,133.31	79,553.01
Total	140,133.31	79,553.01

13.Others payables

Item	Year-closing balance	Year-opening balance
Interest payable	0.00	74,429.77
Dividends payable	0.00	0.00
Others payables	3,871,841.40	48,572.95
Total	3,871,841.40	123,002.72

（1） Interest payable

Item	Year-closing balance	Year-opening balance
Interest payable	0.00	74,429.77
Total	0.00	74,429.77

（2） Others payables

① Aging analysis:

Aging	Year-closing balance		Year-opening balance	
	Amount	Percentage	Amount	Percentage
Within 1 year	3,871,841.40	100.00%	48,572.95	100.00%
1-2 years	0.00	0.00%	0.00	0.00%
2-3 years	0.00	0.00%	0.00	0.00%
More than 3 years	0.00	0.00%	0.00	0.00%
Total	3,871,841.40	100.00%	48,572.95	100.00%

② Details of the creditors:

Name of Company	Year-closing balance	Percentage in others payables	Aging
Intercompany Balance	3,871,841.40	100.00%	Within 1 year
Total	3,871,841.40	100.00%	——

14. Others current liabilities

Item	Year-closing balance	Year-opening balance
Others current liabilities	11,769,658.88	9,538,889.78
Total	11,769,658.88	9,538,889.78

15.Paid-in capital

Name of shareholder	Year-opening	Increase in	Decrease in	Year-closing

	balance	period	period	balance
DEI HOLDINGS LIMITED	14, 200, 331. 92	0. 00	0. 00	14, 200, 331. 92
Total	14, 200, 331. 92	0. 00	0. 00	14, 200, 331. 92

16. Undistributed profits

Item	Year-closing balance	Year-opening balance
Opening undistributed profits	−35, 050, 544. 29	−20, 956, 172. 08
Plus: adjustment to the opening undistributed profits	0. 01	573, 845. 45
Opening undistributed profits after adjustment	−35, 050, 544. 28	−20, 382, 326. 63
Plus: net profits of this period	−2, 225, 044. 15	−14, 668, 217. 66
Less: withdrawal of statutory surplus reserves	0. 00	0. 00
Withdrawal of discretionary surplus reserves	0. 00	0. 00
Dividends payable for ordinary shares	0. 00	0. 00
Others	0. 00	0. 00
Closing undistributed profits	−37, 275, 588. 43	−35, 050, 544. 29

17. Operating income and operating costs

Item	Incurred this year		Incurred Previous year	
	Income	Cost	Income	Cost
Subtotal of Business activities	54, 907, 728. 59	49, 482, 653. 57	26, 526, 684. 92	30, 301, 645. 78
Total	54, 907, 728. 59	49, 482, 653. 57	26, 526, 684. 92	30, 301, 645. 78

18. General and administrative expenses

Item	Incurred this year	Incurred Previous year
General and administrative expenses	5, 979, 717. 46	9, 324, 922. 46
Total	5, 979, 717. 46	9, 324, 922. 46

19. Financial Expenses

Item	Incurred this year	Incurred Previous year
Interest expenditures	9,752.00	347,959.61
Less: interest income	8,561.14	31,213.50
Exchange losses	1,061,442.29	0.00
Less: exchange gains	81,238.50	238,934.97
Others	97,618.06	352,230.71
Total	1,079,012.71	430,041.85

20. Impairment of assets

Item	Incurred this year	Incurred Previous year
Impairment of assets	528,526.00	0.00
Total	528,526.00	0.00

21. Non-operating income

Item	Incurred this year	Incurred Previous year
Government subsidy income	0.00	16,500.00
Personal income tax fee refund	0.00	0.00
Total	0.00	16,500.00

24. Non-operating expense

Item	Incurred this year	Incurred Previous year
Consultant fees	0.00	557,661.05
Audit fees	0.00	263,595.15
Technical service fee	0.00	191,660.69
Pay taxes	0.00	117,875.60
Legal service fees	0.00	24,000.00
Other expenditure	62,863.00	0.00

Total	62, 863. 00	1, 154, 792. 49

VIII. Supplementary Information of the Cash Flow Statements

Supplementary information	Current the year	Previous period amount
1.Convert net profits into cash flows of operating activities:		
Net profits	-2, 225, 044. 15	-14, 668, 217. 66
Plus: asset impairment provision	528, 526. 00	0. 00
Depreciation of fixed assets, oil and gas assets and productive biological assets	1, 591, 122. 05	1, 300, 928. 83
Amortization of intangible assets	0. 00	0. 00
Amortization of long-term deferred expenses	0. 00	0. 00
Losses from disposal of fixed assets, intangible assets and other long-term assets (gains indicated with "-")	72, 631. 74	0. 00
Losses from retirement of fixed assets (gains indicated with "-")	0. 00	0. 00
Losses from change in fair value (gains indicated with "-")	0. 00	0. 00
Financial expenses (gains indicated with "-")	9, 752. 00	347, 959. 61
Investment losses (income indicated with "-")	0. 00	0. 00
Decrease in deferred income tax assets (increase indicated with "-")	0. 00	0. 00
Increase in deferred income tax liabilities (decrease indicated with "-")	0. 00	0. 00
Decrease in inventories (increase indicated with "-")	-1, 971, 077. 41	708, 130. 72
Decrease in operating accounts receivable (increase indicated with "-")	-6, 503, 849. 28	-3, 686, 250. 00
Increase in operating accounts payable (decrease indicated with "-")	14, 411, 934. 18	13, 552, 491. 22

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Supplementary information	Current the year	Previous period amount
Others	0.00	573,845.45
Net cash flows from operating activities	5,913,995.13	-1,871,111.83
2.Investment and financing activities without cash receipts and payments:		
Conversion of debts into capital	0.00	0.00
Convertible bonds due within one year	0.00	0.00
Fixed assets under financing lease	0.00	0.00
3.Net increase in cash and cash equivalents:		
Closing balance of cash	5,564,520.80	4,545,208.57
Less: opening balance of cash	4,545,208.57	3,952,417.80
Plus: closing balance of cash equivalents	0.00	0.00
Less: opening balance of cash equivalents	0.00	0.00
Net increase in cash and cash equivalents	1,019,312.23	592,790.77

IX. Related Parties and Related Party Transactions

(I) Related parties

1. Shareholders of the Company

Name of related party	Shareholding percentage in the Company	Voting power percentage in the Company
DEI HOLDINGS LIMITED	100.00%	100.00%

X. Contingencies

As at December 31, 2023, the Company has not involved in any pending litigations, external guarantee and other contingencies that shall be disclosed.

XI. Commitments

As at December 31, 2023, the Company has not made any commitments that shall be disclosed.

XII. Non-adjustment Events after the Balance Sheet Date

As at June 24, 2024, the Company has not engaged in any matters that shall be disclosed after the balance sheet date.

XIII. Other Important Matters

As at June 24, 2024, the Company has not engaged in any other important matters that shall be disclosed.

XIV. Approval of the Accounting Statements

The accounting statements have been approved to be released by the Company's Board of Directors on June 24, 2024.

Digiphoto Entertainment Imaging (Shanghai) Co., Ltd.

June 24, 2024

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意调出
Agree the holder to be transferred from

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2020 年 11 月 13 日
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2020 年 11 月 13 日
/y /m /d

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

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年 月 日
/y /m /d

姓名：杜春玲
证书编号：110004912707

证书编号：110004912707
No. of Certificate

批准注册协会：北京注册会计师协会
Authorized Institute of CPAs

发证日期：2014 年 05 月 12 日
Date of Issuance /y /m /d

CPA任职资格检查合格 2015
CPA任职资格检查合格 2016
CPA任职资格检查合格 2017

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS 中国注册会计师协会

北京东审会计师事务所(特殊普通合伙)

姓名 Full name 杜春玲
性别 Sex 女
出生日期 Date of birth 1966-08-04
工作单位 Working unit 北京东审鼎立国际会计师事务所有限责任公司
身份证号码 Identity card No. 131026196[illegible]

仅供审计报告使用

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

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2023 年/y -01 月/m 11 日/d

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2023 年/y -01 月/m 11 日/d

注意事项

一、注册会计师执行业务，必要时须向委托方出示本证书。
二、本证书只限于本人使用，不得转让、涂改。
三、注册会计师停止执行法定业务时，应将本证书缴还主管注册会计师协会。
四、本证书如遗失，应立即向主管注册会计师协会报告，登报声明作废后，办理补发手续。

NOTES

1. When practising, the CPA shall show the client this certificate when necessary.
2. This certificate shall be exclusively used by the holder. No transfer or alteration shall be allowed.
3. The CPA shall return the certificate to the competent Institute of CPAs when the CPA stops conducting statutory business.
4. In case of loss, the CPA shall report to the competent Institute of CPAs immediately and go through the procedure of reissue after making an announcement of loss on the newspaper.

姓名：郑禹
证书编号：110004912719

证书编号：
No. of Certificate　110004912719

批准注册协会：
Authorized Institute of CPAs　北京注册会计师协会

发证日期：
Date of Issuance　2017 年/y 06 月/m 19 日/d

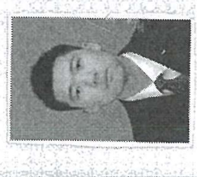
年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.

年/y　月/m　日/d

THE CHINESE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
中国注册会计师协会

姓名 Full name：郑禹
性别 Sex：男
出生日期 Date of birth：1992-09-22
工作单位 Working unit：北京东审鼎立国际会计师事务所有限责任公司
身份证号码 Identity card No.：231084199209223718



北京东审会计师事务所(特殊普通合伙)

仅供审计报告使用

会 计 师 事 务 所

执 业 证 书

名　　　　称：北京东审会计师事务所（特殊普通合伙）

首 席 合 伙 人：李丽

主 任 会 计 师：

经 营 场 所：北京市东城区崇文门外大街7、9号1幢11层11-1

仅供审计报告使用

组 织 形 式：普通合伙

执业证书编号：11000395

批准执业文号：京财会[2005]1668号

批准执业日期：2005年10月11日

证书序号：0014621

说　明

1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。

2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。

3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。

4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：北京市财政局

二〇　年　月　日

中华人民共和国财政部制

统一社会信用代码

91110102781700826T

营业执照

（副 本）(2-1)

扫描市场主体身份码了解更多登记、备案、许可、监管信息，体验更多应用服务。

名　　称　北京东审会计师事务所（特殊普通合伙）

类　　型　特殊普通合伙企业

执行事务合伙人　李丽

经营范围　审计企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关的报告；基本建设年度决算审计；代理记帐；会计咨询、税务咨询、管理咨询、财务会计培训；法律、法规规定的其它业务。（市场主体依法自主选择经营项目，开展经营活动；依法须经批准的项目，经相关部门批准后依批准的内容开展经营活动；不得从事国家和本市产业政策禁止和限制类项目的经营活动。）

出 资 额　449万元

成立日期　2005年10月17日

主要经营场所　北京市东城区崇文门外大街7、9号1幢11层11-1

北京东审会计师事务所（特殊普通合伙）1101061047620

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北京市东城区市场监督管理局

2024 年 01 月 15 日

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拜访东审

北京市东城区崇文门外大街9号正仁大厦11-12层／北京市海淀区知春路113号银网中心B座20层／北京市朝阳区琨莎中心3座3层／北京市朝阳区中国红街3号楼4层/上海市虹口区长阳路235号鼎立大厦14层／深圳市福田区泰然六路50号红松大厦A座10C／浙江省杭州市萧山区宁围街道博地中心A座1802室／江苏省南京市雨花台区锦绣街北绿地之窗C4座1010室

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DEI Hongkong
Management Accounts
Balance Sheet as at 31st December, 2023

Currency - HKD

Particulars	Notes	As at 31st December, 2023	As at 31st December, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	245,322	73,012
Development			
Capital work-in-progress	3	-	-
Right-Of-Use Assets		0	47,762
Goodwill	4		
Other Intangible Assets, net	4	-	-
Intangible assets under development		-	-
# Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	-	
Financial assets:-		-	
- Non current investments	5	-	-
- Loans		22,600	22,600
- Other financial assets	6(e)	-	-
Non-current bank balances			
Others			
Other non-current assets	7	-	-
Non Current Tax assets	9	-	-
Deferred tax assets (net)	16		
Total non-current assets		267,923	143,373
Current assets:			
Inventories		597,852	378,631
Financial assets:-			
- Investments	6(a)	-	
- Trade receivables	6(b)	21,300,610	16,794,643
- Cash and cash equivalents	6(c)	964,533	223,782
- Bank balances other than cash and cash equivalents	6(d)	-	-
-Loan		-	-
- Other financial assets	6(e)	-	-
Current Tax Assets (Net)		-	-
Other current assets	8	70,523	268,486
Total current assets		22,933,518	17,665,543
TOTAL ASSETS		23,201,441	17,808,916
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	100	100
Preference share capital	10(a)	-	-
Other equity			-
Share application money pending allotment		-	-
Reserve and surplus	10(b)	-13,180,241	-16,161,447
Total Equity		-13,180,141	-16,161,347
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	-	49,577
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		-	49,577
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	-	-
Finance lease liabilities		-	-
- Trade payables	11(d)	35,161,488	33,008,535
- Other financial liabilties	11(c)	1,224,589	878,585
Provisions	14	-	-
Employee Benefit Payable	15	-	-
Current Tax Liablities	9	-	-
Other current liabilities	13	-4,495	33,567
Total current liabilities		36,381,582	33,920,687
TOTAL LIABILITIES		36,381,582	33,970,264
TOTAL EQUITY AND LIABILITIES		23,201,441	17,808,916

Director/Authorised Signatory

Property, plant and equipment:-		
Particulars	As at 31st December, 2023	As at 31st December, 2022
Furniture and Fixtures	3,825	8,925
Computers	241,497	64,087
Vehicles	-	-
CWIP	-	-
	-	-
Total	245,322	73,012

(I) Leased Assets

Propoerty, Plant and Equipments includes the following amounts where the company is a lessee under a finance lease:

Gross carrying amount	As at 31st December, 2023	As at 31st December, 2022
Office Building	0	47,762
Office equipments	-	-
Vehicles	-	-
	-	-
Total	0	47,762

Note 4: Intangible Assets:

Gross carrying amount	As at 31st December, 2023	As at 31st December, 2022
Computer Software	-	-
Intangible assets under Development	-	-
	-	-
Total	-	-

Note 6: Loans Non-Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
Loans to Related Parties- Non current - Unsecured	-	-
Loans to Inter Company- Non current - Unsecured	-	-
Security deposits [Loans] - Non current - Unsecured	22,600	22,600
	-	-
Aggregate Amount of impairment in the value of investments	22,600	22,600

Note 6: Loans Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
Security deposits [Loans] - Current - Unsecured	-	-
	-	-
	-	-
Aggregate Amount of impairment in the value of investments	-	-

Director/Authorised Signatory

6(e) Other financial Assets- Current	As at 31st December, 2023	As at 31st December, 2022
Particulars	Current	Current
	-	-
Fixed deposits with maturity for more than 12 months*	-	-
Security Deposits	-	-
Receivable from subsidiaries	-	-
Interest receivables from Related Parties	-	-
Accrued Revenue	-	-
Interest receivables from Inter Company	-	-
Loans and Advance to Related Parties	-	-
Insurance claim receivable	-	-
Interest receivables from Bank Deposits	-	-
Others	-	-
Total Other Financial Assets	-	-

Note 7: Other Non-Current Assets:

Particulars	As at 31st December, 2023	As at 31st December, 2022
Capital advances	-	-
Prepaid expenses	-	-
Total	-	-

Note 8: Other Current Assets:

Particulars	As at 31st December, 2023	As at 31st December, 2022
Advance to Suppliers		
Unsecured, considered good	37,973	240,506
Unsecured ,considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advance to Employees	-	-
Unsecured, considered good	-	-
Unsecured, considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepaid expenses	32,550	27,981
Balances receivables from Govt. authorities	-	-
Total	70,523	268,486

Note 9: Non- Current Tax Assets / Current Tax Liabilities:

Particulars	As at 31st December, 2023	As at 31st December, 2022
Opening Balance	-	-
Pre acquisition adj		-
Less: Current Tax payable for the year		
Add: Taxes Paid	-	
Closing Balances	-	-
Disclosed as:		
Non-Current Tax Assets (as per Balance sheet)	-	-
Current Tax Liability (as per Balance sheet)	-	-

Inventories

Particulars	As at 31st December, 2023	As at 31st December, 2022
Raw material, consumables and other supplies (includes In-transit of USD______)	597,852	378,631
Raw material, consumables and other supplies (in transit)	-	-
Finished goods (mention types of goods) (includes In-transit of USD______)	-	-
Stock-in-trade (in respect of goods acquired for trading); (includes In-transit of USD______	-	-
Stores and spares (includes In-transit of USD______)	-	-
Other inventories (includes In-transit of USD______)	-	-
	597,852	378,631

Note 11: Financial Liabilities:

11(a) Non-Current Borrowings	As at 31st December, 2023	As at 31st December, 2022
Particulars	-	-
Long term maturities of finance lease obligations:	-	-
		-
		-
Term Loan from Bank - Long Term	-	-
Vehicle loans - Unsecured - Non Current	-	-

Director/Authorised Signatory

11(c) Other Financial Liabilities- Non Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
	Non-Current	Non-Current
Current		
Current maturities of Redeemable long term debentures / Term Loan (Refer 11(a))	-	-
Current maturities of Long term Inter Company Loan	-	-
Current maturities of finance lease obligations (Refer 11(a))	-	-
ROU Lease Liability	-	49,577
Deposits received from vendor	-	-
Dividend Payable	-	-
Unpaid Dividend @	-	-
Interest accrued	-	-
Liabilities against expense	-	-
Liabilities against Fixed Assets (Capital Creditors)	-	-
Interest payable to Related parties	-	-
Derivative financial liabilities	-	-
Guarantees given to bank and others on behalf of subsidiaries	-	-
Other financial liabilities - Inter Company - Current	-	-
Other financial liabilities - Related Parties - Current	-	-
Others	-	-
Total Other Financial Liabilities	-	49,577

11(c) Other Financial Liabilities- Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
	Current	Current
Current		
Current maturities of Redeemable long term debentures / Term Loan (Refer 11(a))	-	-
Current maturities of Long term Inter Company Loan	-	-
Current maturities of finance lease obligations (Refer 11(a))	-	-
ROU Lease Liability	-	-
Deposits received from vendor	-	-
Dividend Payable	-	-
Unpaid Dividend @	-	-
Interest accrued	-	-
Liabilities against expense	1,332,191	741,934
Liabilities against Fixed Assets (Capital Creditors)	-	-
Interest payable to Intercompany parties	-	-
Interest Accrued and due (Liability)	-	-
Guarantees given to bank and others on behalf of subsidiaries	-	-
Other financial liabilities - Inter Company - Current	- 4,031	- 6,159
Other financial liabilities - Related Parties - Current	-	-
Employees benefit payable	- 103,571	142,810
Total Other Financial Liabilities	1,224,589	878,585

11(d)Trade Payables

Particulars	As at 31st December, 2023	As at 31st December, 2022
-Dues of micro enterprises and small enterprises	-	-
-Dues of creditors other than micro enterprises and small enterprises	-	-
(i) Acceptances	-	-
(ii) Trade pyable to Related Parties	-	-
(iii) Trade pyable to Inter companies	-	-
(iv) Other Trade Payable	35,161,488	33,008,535
Total Trade Payables	35,161,488	33,008,535

Note 10(a) Share Capital and Other Equity:

	As at 31st December, 2023	As at 31st December, 2022
Particulars	Amount	Amount
AUTHORISED		
As at 1st April, 2018	100	100
Increase/(Decrease) during the period		-
As at 31st March, 2019	100	100

Note 12: Other Non-Current Liabilities

Particulars	As at 31st December, 2023	As at 31st December, 2022
Income Received In Advance	-	-
Rent Equalisation Reserve	-	-
Others	-	-
Total	-	-

Note 13: Other Current Liabilities

Particulars	As at 31st December, 2023	As at 31st December, 2022

Director/Authorised Signatory

Note 15: Employee Benefit Obligations- Non Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
	Non-Current	Non-Current
Leave Entitlement	-	-
Gratuity	-	-
Other Employee benefits payable	-	-
Total	-	-

Note 15b: Employee Benefit Obligations- Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
	Current	Current
Leave Entitlement	-	-
Gratuity	-	-
Other Employee benefits payable	-	-
Total	-	-

Note 16: Deferred Tax Assets/(Liabilities):

The balance comprises of temporary differences attributable to:

Particulars	As at 31st December, 2023	As at 31st December, 2022
Deferred Tax (Liabilities)		
On Fiscal Allowances on Fixed Assets	-	-
Other Items		
On NCD issue expenses	-	-
Less: Deferred Tax Assets		
On provisions allowable for tax purpose when paid	-	-
On Provision for Doubtful Debts and Advances	-	-
On Rent escalation	-	-
On unabsorbed depreciation	-	-
On unabsorbed Business losses	-	-
Other Items	-	-
FCTR	-	-
	-	-
Net Deferred Tax Assets/ (Liabilities)	-	-

Director/Authorised Signatory

Note 20: Depreciation and Amortisation Expense

Particulars	Jan-Dec 23	Jan-Dec 22
Depreciation on Tangible Assets	46,054	5,113
Amortisation on Intangible Assets	-	31,720
Depreciation and amortisation expense	47,761	95,523
Total	**93,815**	**132,357**

Note 21: Other Expenses

Particulars	Jan-Dec 23	Jan-Dec 22
Rent	120,582	72,353
Stores and tools consumed	20,732	254
Electricity	16,314	4,996
Repairs to Building	-	-
Repairs to Plant and machinery	-	-
Repairs to Others	16,829	7,886
Insurance	35,181	34,906
Rates and Taxes	-	-
Licence Fees	71,533	6,584
Security Services	-	-
Travelling Expenses	116,273	14,468
Vehicle Running and Maintenance Expenses	-	-
Directors Sitting Fees		-
Commission to Directors	-	-
Legal and Professional Charges (refer note 21 (a))	294,447	232,432
Payment to Auditors - As Auditors Statutory and limited review	24,047	25,036
Group Resource Cost [GRC]Expenses	1,031,454	817,094
Printing and Stationery	19,474	11,451
Equipment hire charges	835	-
Water charges	-	-
Communication expenses	120,441	159,464
Lease expenses - Others	-	-
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	336,759	641,853
Freight Currency Shipment	-	-
Bad Debts and Advances Written Off	-	-
Provisions for doubtful debts and Advances (net off bad debt written off)	-	-
Expenditure towards CSR (refer note 21 (b))	-	-
Donations	-	-
Loss on sale of property, plant and equipment (Net)	-	-
Inter Compnay Management Fee (Expenses)	-	-
Miscellaneous Expenses	3,562	12,210
Total	**2,228,464**	**2,040,987**

Legal and professional charges includes payment to auditors

Director/Authorised Signatory

DEI Hongkong

Notes forming part of the Financial Statements as at and for the 12 months ended 31st Dec, 2023

Note 3: Property, plant and equipment:

Particulars	**Furniture and Fixture**	**Computers**	**Total**
Gross carrying amount			
Opening as at 1st January, 2023	35,744	404,497	440,241
Additions	-	218,365	218,365
Disposals/transfer		-	-
Pre Acquisition Movement-			-
FCTR	-	-	-
Closing gross carrying amount	**35,744**	**622,862**	**658,606**
Accumulated depreciation			
Opening as at 1st January, 2023	26,819	340,410	367,229
Depreciation charge during the year	5,100	40,955	46,055
Disposals	-	-	-
Pre Acquisition Movement			-
Change in Dep Policy	-	-	-
FCTR	-	-	-
Closing accumulated depreciation	**31,919**	**381,365**	413,284
Net carrying amount as at 31st Dec, 2023	**3,825**	**241,497**	**245,322**

Director/Authorised Signatory

DEI Macau
Management Accounts
Balance Sheet as at 31st December, 2023

Currency - MOP

Particulars	Notes	As at 31st December, 2023	As at 31st December, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	48,982	170,442
Development			
Capital work-in-progress	3	-	-
Right-Of-Use Assets		-	-
Goodwill	4		
Other Intangible Assets, net	4	-	-
Intangible assets under development		-	-
# Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	-	
Financial assets:-		-	
- Non current investments	5	-	
- Loans		319	319
- Other financial assets	6(e)	-	-
Non-current bank balances			
Others			
Other non-current assets	7	-	-
Non Current Tax assets	9	-	-
Deferred tax assets (net)	16		
Total non-current assets		**49,300**	**170,760**
Current assets:			
Inventories		1,050,344	518,757
Financial assets:-			
- Investments	6(a)	-	
- Trade receivables	6(b)	2,910,842	1,564,768
- Cash and cash equivalents	6(c)	727,709	252,995
- Bank balances other than cash and cash equivalents	6(d)	-	-
-Loan		-	-
- Other financial assets	6(e)	-	-
Current Tax Assets (Net)		-	-
Other current assets	8	4,921	115,064
Total current assets		**4,693,815**	**2,451,584**
TOTAL ASSETS		**4,743,115**	**2,622,344**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	25,000	25,000
Preference share capital	10(a)	-	-
Other equity			-
Share application money pending allotment		-	-
Reserve and surplus	10(b)	-9,751,871	-9,914,570
			-
			-
Total Equity		**-9,726,871**	**-9,889,570**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	-	-
Provisions	14	-	-
Employee Benefit Obligations	15	-	-
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		**-**	**-**
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	-	-
Finance lease liabilities		-	-
- Trade payables	11(d)	13,659,392	12,197,662
- Other financial liabilities	11(c)	808,752	313,307
Provisions	14	-	-
Employee Benefit Payable	15	-	-
Current Tax Liabilities	9	-	-
Other current liabilities	13	1,845	945
Total current liabilities		**14,469,989**	**12,511,914**
TOTAL LIABILITIES		**14,469,989**	**12,511,914**
TOTAL EQUITY AND LIABILITIES		**4,743,115**	**2,622,344**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Macau

Management Accounts

Statement of Profit And Loss for the period

Currency - MOP

Particulars	Jan-Dec 23	Jan-Dec 22
Income		
Revenue from operations	19,554,218	2,685,990
Other income	- 4,000	-
Other gains (net)	6,131	5,800
Total income	**19,556,349**	**2,691,790**
Expenses		
Cost of services	12,026,549	1,594,921
Employee benefits expense	4,480,713	994,386
Finance Cost	22,954	10,804
Advertisement Expenses	3,655	-
Depreciation and amortisation expense	121,460	123,703
Depreciation - Right of Use Assets - Buildings	-	-
Other expenses	2,738,318	1,950,734
Total expenses	**19,393,649**	**4,674,548**
Profit before exceptional item	**162,699**	**- 1,982,758**
Add Exceptional items:		
Less Exceptional items:	-	
(Loss)/Profit before tax	**162,699**	**- 1,982,758**
Less : Tax expense		
Current tax	-	-
Deferred tax	-	-
Total tax expenses	-	-
(Loss)/Profit for the year (A)	**162,699**	**- 1,982,758**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	-	-
Income tax relating to items that will not be reclassified to profit or loss		
Total other comprehensive income for the year, net of taxes (B)	-	-
Total comprehensive income for the year (A+B)	**162,699**	**- 1,982,758**
Earnings/(Loss) per equity share (Face value of INR 1 each)		
- Basic earnings/(loss) per share		
- Diluted earnings/(loss) per share		

Summary of Significant Accounting Policies

The above statement of profit and loss should be read in conjunction with the accompanying notes.

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Property, plant and equipment:-		
Particulars	As at 31st December, 2023	As at 31st December, 2022
Furniture and Fixtures	21,608	83,371
Computers	27,373	87,071
Vehicles	-	-
CWIP	-	-
	-	-
Total	48,982	170,442

(i) Leased Assets

Propoerty, Plant and Equipments includes the following amounts where the company is a lessee under a finance lease:

Gross carrying amount	As at 31st December, 2023	As at 31st December, 2022
Office Building	-	-
Office equipments	-	-
Vehicles	-	-
	-	-
Total	-	-

Note 4: Intangible Assets:

Gross carrying amount	As at 31st December, 2023	As at 31st December, 2022
Computer Software	-	-
Intangible assets under Development	-	-
	-	-
Total	-	-

Note 6: Loans Non-Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
Loans to Related Parties- Non current - Unsecured	-	-
Loans to Inter Company- Non current - Unsecured	-	-
Security deposits [Loans] - Non current - Unsecured	319	319
	-	-
Aggregate Amount of impairment in the value of investments	319	319

Note 6: Loans Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
Security deposits [Loans] - Current - Unsecured	-	-
	-	-
	-	-
Aggregate Amount of impairment in the value of investments	-	-

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Note 7: Financial Assets

6(a)Current Investments

Particulars	As at 31st December, 2023	As at 31st December, 2022
Investment in mutual funds fair valued through Profit and Loss A/c (Quoted)		
- Mutual Fund Scheme and Plan Name		
xx (Nos.) (Previous Year: **xx**) Units of **xx (Face Value)** each	-	-
- Mutual Fund Scheme and Plan Name		
xx (Nos.) (Previous Year: **xx**) Units of **xx (Face Value)** each	-	-
....		
Total Mutual Funds	-	-
Total Current investments	-	-
Aggregate Amount of quoted investments	-	-
Aggregate Amount of impairment in the value of investments	-	-

6(b)Trade receivables

Particulars	As at 31st December, 2023	As at 31st December, 2022
Trade receivables	2,910,842	1,564,768
Less : Allowance for doubtful debts	-	-
Total receivables	**2,910,842**	**1,564,768**
Break up of Security Details		
Secured, considered good	-	-
Unsecured, considered good	2,910,842	1,564,768
Unsecured, considered doubtful	-	-
Total	**2,910,842**	**1,564,768**
Less : Allowance for doubtful debts	-	-
Total Trade Receivables	**2,910,842**	**1,564,768**
Trade recievables from Related Parties		
Trade recievables From Inter companies		

6(c) Cash and cash equivalents

Particulars	As at 31st December, 2023	As at 31st December, 2022
Balances with banks :		
In current accounts	727,709	252,995
Fixed Deposits with **original maturity** of less than three months*	-	-
Balance in EEFC accounts		
Remittance in Transit (including foreign currencies- Notes and paid documents)		
Cheques on hand		
Cash on hand (including foreign currencies- Notes and paid documents)	-	-
Total Cash and cash equivalents	**727,709**	**252,995**

*Provide details of any FDs on Liens with Party Name and FD Amount (including Previous Year amount)

6(d) Bank balances other than cash and cash equivalents

Particulars	As at 31st December, 2023	As at 31st December, 2022
Fixed Deposits with original maturity of more than three months but less than 12 months*	-	-
Unclaimed dividend	-	-
Total Cash and cash equivalents	-	-

6(e) Other financial Assets- Non Current

Particulars	Non-current	Non-current
	As at 31st December, 2023	As at 31st December, 2022
Fixed deposits with maturity for more than 12 months*	-	-
Security Deposits	-	-
Receivable from subsidiaries	-	-
Interest receivables from Related Parties	-	-
Accrued Revenue	-	-
Interest receivables from Inter Company	-	-
Loans and Advance to Related Parties	-	-
Insurance claim receivable	-	-
Security deposits [Loans] - Current - Unsecured	-	-
Others	-	-
Total Other Financial Assets	-	-

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

6(e) Other financial Assets- Current	As at 31st December, 2023	As at 31st December, 2022
Particulars	Current	Current
	-	-
Fixed deposits with maturity for more than 12 months*	-	-
Security Deposits	-	-
Receivable from subsidiaries	-	-
Interest receivables from Related Parties	-	-
Accrued Revenue	-	-
Interest receivables from Inter Company	-	-
Loans and Advance to Related Parties	-	-
Insurance claim receivable	-	-
Interest receivables from Bank Deposits	-	-
Others	-	-
Total Other Financial Assets	-	-

Note 7: Other Non-Current Assets:

Particulars	As at 31st December, 2023	As at 31st December, 2022
Capital advances	-	-
Prepaid expenses	-	-
Total	-	-

Note 8: Other Current Assets:

Particulars	As at 31st December, 2023	As at 31st December, 2022
Advance to Suppliers		
Unsecured, considered good	-	112,362
Unsecured ,considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advance to Employees	-	-
Unsecured, considered good	-	-
Unsecured, considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepaid expenses	4,921	2,702
Balances receivables from Govt. authorities	-	-
Total	**4,921**	**115,064**

Note 9: Non- Current Tax Assets / Current Tax Liabilities:

Particulars	As at 31st December, 2023	As at 31st December, 2022
Opening Balance	-	-
Pre acquisition adj		-
Less: Current Tax payable for the year		
Add: Taxes Paid	-	
Closing Balances	-	-
Disclosed as:		
Non-Current Tax Assets (as per Balance sheet)	-	-
Current Tax Liability (as per Balance sheet)	-	-

Inventories

Particulars	As at 31st December, 2023	As at 31st December, 2022
Raw material, consumables and other supplies [includes In-transit of MOP________]	1,050,341	506,176
Raw material, consumables and other supplies [in transit]	3	12,581
Finished goods (mention types of goods) [includes In-transit of MOP________]	-	-
Stock-in-trade (in respect of goods acquired for trading); [includes In-transit of MOP____	-	-
Stores and spares [includes In-transit of MOP________]	-	-
Other inventories [includes In-transit of MOP________]	-	-
	1,050,344	**518,757**

Note 11: Financial Liabilities:

11(a) Non-Current Borrowings	As at 31st December, 2023	As at 31st December, 2022
Particulars	-	-
Long term maturities of finance lease obligations:	-	-
		-
		-
Term Loan from Bank - Long Term	-	-
Vehicle loans - Unsecured - Non Current	-	-

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

11(c) Other Financial Liabilities- Non Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
	Non-Current	Non-Current
Current		
Current maturities of Redeemable long term debentures / Term Loan (Refer 11(a))	-	-
Current maturities of Long term Inter Company Loan	-	-
Current maturities of finance lease obligations (Refer 11(a))	-	-
ROU Lease Liability	-	-
Deposits received from vendor	-	-
Dividend Payable	-	-
Unpaid Dividend @	-	-
Interest accrued	-	-
Liabilities against expense	-	-
Liabilities against Fixed Assets [Capital Creditors]	-	-
Interest payable to Related parties	-	-
Derivative financial liabilities	-	-
Guarantees given to bank and others on behalf of subsidiaries	-	-
Other financial liabilities - Inter Company - Current	-	-
Other financial liabilities - Related Parties - Current	-	-
Others	-	-
Total Other Financial Liabilities	-	-

11(c) Other Financial Liabilities- Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
	Current	Current
Current		
Current maturities of Redeemable long term debentures / Term Loan (Refer 11(a))	-	-
Current maturities of Long term Inter Company Loan	-	-
Current maturities of finance lease obligations (Refer 11(a))	-	-
ROU Lease Liability	-	-
Deposits received from vendor	-	-
Dividend Payable	-	-
Unpaid Dividend @	-	-
Interest accrued	-	-
Liabilities against expense	790,927	259,581
Liabilities against Fixed Assets [Capital Creditors]	-	-
Interest payable to Intercompany parties	-	-
Interest Accrued and due [Liability]	-	-
Guarantees given to bank and others on behalf of subsidiaries	-	-
Other financial liabilities - Inter Company - Current	-	-
Other financial liabilities - Related Parties - Current	-	-
Employees benefit payable	17,825	53,726
Total Other Financial Liabilities	**808,752**	**313,307**

11(d)Trade Payables

Particulars	As at 31st December, 2023	As at 31st December, 2022
-Dues of micro enterprises and small enterprises	-	-
-Dues of creditors other than micro enterprises and small enterprises	-	-
(i) Acceptances	-	-
(ii) Trade pyable to Related Parties	-	-
(iii) Trade pyable to Inter companies	-	-
(iv) Other Trade Payable	13,659,390	12,197,662
Total Trade Payables	**13,659,390**	**12,197,662**

Note 10(a) Share Capital and Other Equity:

Particulars	As at 31st December, 2023 Amount	As at 31st December, 2022 Amount
AUTHORISED		
As at 1st Jan, 2022	25,000	25,000
Increase/(Decrease) during the period		-
As at 31st Dec, 2023	**25,000**	**25,000**

Note 12: Other Non-Current Liabilities

Particulars	As at 31st December, 2023	As at 31st December, 2022
Income Received In Advance	-	-
Rent Equalisation Reserve	-	-
Others	-	-
Total	-	-

Note 13: Other Current Liabilities

Particulars	As at 31st December, 2023	As at 31st December, 2022

Neeraj Goyal
Finance controller

Director/Authorised Signatory

Income Received in Advance	-	-
Advance receipts from Customers for which value is still to be given	-	-
Statutory Dues	1,845	945
Rent Equalisation Reserve	-	-
Fractional entitlement on Bonus Share Refund Accounts	-	-
Others	-	-
Total	**1,845**	**945**

Note 14: Provisions- Non Current

Particulars	As at 31st December, 2023	As at 31st December, 2022
	Non-Current	Non-Current
	-	-
Other Provisions	-	-
-Others Current Provisions	-	-
-Provision for Litigation and disputes	-	-
Total	-	-

Note 14: Provisions- Current	As at 31st December, 2023	As at 31st December, 2022
Particulars	Current	Current
	-	-
Other Provisions	-	-
-Others Current Provisions	-	-
-Provision for Litigation and disputes	-	-
Total	-	-

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Macau

Notes forming part of the Financial Statements for 3 months ended 31st Dec , 2023

Note 17: Revenue from Operations

Particulars	Jan-Dec 23	Jan-Dec 22
Sale of Services	19,554,218	2,685,990
Other Operating Revenue	-	-
-Liabilities no longer required written back	-	-
-Education and Training Revenue	-	-
-Miscellaneous Receipts	-	-
Total	**19,554,218**	**2,685,990**

Note 18: Other Income and other gains/(losses)

(a) Other Income

Particulars	Jan-Dec 23	Jan-Dec 22
Interest Income	-	-
	-	-
-On Bank Deposits	-	-
-On Others	-	-
-On Loan to related party	-	-
-On Income Tax Refund	-	-
Dividend Income	-	-
-From Subsidiaries	-	-
-From Mutual Fund Investments	-	-
Rental Income	-	-
Facilities and Support Services fees	-	-
Consultancy income	-	-
Liabilities no longer required written back	-	-
Miscellaneous Income	-4,000	-
Total	**-4,000**	**-**

(b) Other gains (net)

Particulars	Jan-Dec 23	Jan-Dec 22
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	-	-
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	6,131	5,800
Total	**6,131**	**5,800**

Note 19: Employee Benefit Expense

Particulars	Jan-Dec 23	Jan-Dec 22
Salaries Wages and Bonus	3,955,971	925,902
Contribution to Provident and Other Funds	-	-
Gratuity	-	-
Employees Share based payment expense	-	-
Staff Welfare Expenses	28,762	51,602
Compensated absences	-	-
Staff Training, Recruitment and Other Costs	107,329	8,038
Incentives to Staff	388,650	8,845
Total	**4,480,713**	**994,386**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Note 20: Depreciation and Amortisation Expense

Particulars	Jan-Dec 23	Jan-Dec 22
Depreciation on Tangible Assets	121,460	63,357
Amortisation on Intangible Assets	-	60,346
Depreciation and amortisation expense	-	-
Total	**121,460**	**123,703**

-

Note 21: Other Expenses

Particulars	Jan-Dec 23	Jan-Dec 22
Rent	-	-
Stores and tools consumed	17,878	396
Electricity	45	293
Repairs to Building	-	-
Repairs to Plant and machinery	-	-
Repairs to Others	7,399	27,569
Insurance	13,159	13,884
Rates and Taxes	-	255
Licence Fees	54,533	4,954
Security Services	-	-
Travelling Expenses	82,429	-
Vehicle Running and Maintenance Expenses	-	-
Directors Sitting Fees		-
Commission to Directors	-	-
Legal and Professional Charges (refer note 21 (a))	303,488	222,221
Payment to Auditors - As Auditors Statutory and limited review	58,425	50,003
Group Resource Cost [GRC]Expenses	1,932,260	1,688,020
Printing and Stationery	2,769	163
Equipment hire charges	27	79
Water charges	-	-
Communication expenses	19,485	17,870
Lease expenses - Others	-	-
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	235,383	-75,364
Freight Currency Shipment	-	-
Bad Debts and Advances Written Off	-	-
Provisions for doubtful debts and Advances (net off bad debt written off)	-	-
Expenditure towards CSR (refer note 21 (b))	-	-
Donations	-	-
Loss on sale of property, plant and equipment (Net)	-	-
Inter Compnay Management Fee (Expenses)	-	-
Miscellaneous Expenses	11,037	392
Total	**2,738,318**	**1,950,734**

Legal and professional charges includes payment to auditors

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Solutions Limited
Balance Sheet for the year ended as on 31st December, 2023

Amt in MUR

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:		-	-
Property, plant and equipment	1	14,21,234	19,50,923
Financial assets		-	
Other non-current assets		-	-
Total non-current assets		**14,21,234**	**19,50,923**
Current assets:			
Inventories	2	5,608	27,14,388
Financial assets:-			
- Trade receivables	3	18,137	12,84,490
- Cash and cash equivalents	4	4,72,902	3,19,027
- Other financial assets	5	34,000	1,52,667
Current Tax Assets (Net)			
Other current assets	6	-	3,99,774
Total current assets		**5,30,647**	**48,70,345**
TOTAL ASSETS		**19,51,881**	**68,21,268**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	7(a)	1,00,000	1,00,000
Other equity			
Reserve and surplus	7(b)	(4,31,53,678)	(3,45,84,602)
Total Equity		**(4,30,53,678)**	**(3,44,84,602)**
LIABILITIES			
Non-current liabilities			
Provision			3,818
Total non-current liabilities		-	**3,818**
Current liabilities			
Financial liabilities			
- Borrowings		-	-
- Trade payables	8	4,49,12,171	4,10,47,128
Provision	9	76,372	76,377
Current Tax Liabilities		-	-
Other current liabilities	10	17,015	1,78,547
Total current liabilities		**4,50,05,559**	**4,13,02,051**
TOTAL LIABILITIES		**4,50,05,559**	**4,13,05,870**
TOTAL EQUITY AND LIABILITIES		**19,51,881**	**68,21,268**

Neeraj Goyal
FINANCE CONTROLLER
Director/Authorised Signatory

DEI Solutions Limited
Statement of Profit And Loss for the year ended as on 31st December, 2023

Amt in MUR

Particulars	Notes	For the year ended as on Dec 31, 2023	For the year ended as on Dec 31, 2022
Income			
Revenue from operations	11	19,62,800	51,11,196
Other gains (net)	12	25,810	25,20,813
Total income		**19,88,610**	**76,32,009**
Expenses			
Cost of services		57,90,725	11,71,878
Employee benefits expense	13	21,55,335	38,73,720
Finance Cost	14	48,273	45,202
Advertisement Expenses		16,205	2,18,613
Depreciation and amortisation expense	15	8,89,656	14,60,316
Other expenses	16	16,57,493	36,96,332
Total expenses		**1,05,57,686**	**1,04,66,061**
Profit before exceptional item		**(85,69,076)**	**(28,34,052)**
Add Exceptional items:			
Less Exceptional items:		-	
(Loss)/Profit before tax		**(85,69,076)**	**(28,34,052)**
Less : Tax expense			
Current tax		-	
Deferred tax		-	-
Total tax expenses		-	-
(Loss)/Profit for the year (A)		**(85,69,076)**	**(28,34,052)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		-	-
Total comprehensive income for the year (A+B)		**(85,69,076)**	**(28,34,052)**

Neeraj Goyal
FINANCE CONTROLLER
Director/Authorised Signatory

DEI Solutions Limited
Notes forming part of the Financial Statements

Note 2: Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies	5,608	27,14,388
Total	**5,608**	**27,14,388**

Note 3: Trade receivables

Particulars	31st Dec, 2023	31st Dec, 2022
Trade receivables	18,137	12,84,490
Less : Allowance for doubtful debts	-	-
Total receivables	**18,137**	**12,84,490**
Break up of Security Details		
Unsecured, considered good	18,137	12,84,490
Unsecured, considered doubtful	-	-
Total	**18,137**	**12,84,490**
Less : Allowance for doubtful debts	-	-
Total	**18,137**	**12,84,490**

Note 4: Cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec, 2022
Balances with banks :		
In current accounts	4,72,608	3,04,027
Cash on hand (including foreign currencies- Notes and paid documents)	294	15,000
Total	**4,72,902**	**3,19,027**

Note 5: Other financial Assets

Particulars	31st Dec, 2023	31st Dec, 2022
Security Deposits	34,000	51,000
Other Receivable	-	1,01,667
	-	
Total	**34,000**	**1,52,667**

Note 6: Other Current Assets:

Particulars	31st Dec, 2023	31st Dec, 2022
Advance to Suppliers		
Unsecured, considered good	-	**301367**
Prepaid expenses	-	39,027
Balances receivables from Govt. authorities	-	59,380
Total	-	**3,99,774**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

DEI Solutions Limited
Notes forming part of the Financial Statements as at and for the year ended as on 31st December, 2023

Note 1: Property, plant and equipment:

Particulars	Furniture and Fixtures	Computers	Total
Gross carrying amount			
Opening as at 1st January, 2023	**8,13,251**	**65,31,498**	**73,44,749**
Additions	1,68,600	1,91,367	3,59,967
Disposals/transfer		-	-
Closing gross carrying amount	**9,81,851**	**67,22,865**	**77,04,716**
Accumulated depreciation			
Opening as at 1st January, 2023	**5,57,151**	**48,36,675**	**53,93,826**
Depreciation charge during the year	**1,14,284**	**7,75,372**	**8,89,656**
Disposals		-	-
Change in Dep Policy			-
Closing accumulated depreciation	**6,71,435**	**56,12,047**	**62,83,482**
Net carrying amount as at 31st Dec, 2022	**2,56,100**	**16,94,823**	**19,50,923**
Net carrying amount as at 31st Dec, 2023	**3,10,416**	**11,10,818**	**14,21,234**

Neeraj Goyal
FINANCE CONTROLLER

Director/Authorised Signatory

DEI Solutions Limited
Notes forming part of the Financial Statements

Note 8: Trade Payables

Particulars	31st Dec, 2023		31st Dec, 2022	
	Non-Current	Current	Non-Current	Current
Other Trade Payable	-	4,49,12,171	-	4,10,47,128
Total	**-**	**4,49,12,171**	**-**	**4,10,47,128**

Note 9: Provision

Particulars	31st Dec, 2023		31st Dec, 2022	
	Non-Current	Current	Non-Current	Current
Gratuity		-	3,818	-
Other Employee benefits payable		76,372		76,377
Total	**-**	**76,372**	**3,818**	**76,377**

Note 10: Other Current Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Statutory Dues	9,871	1,71,402
Others	7,145	7,145
Total	**17,015**	**1,78,547**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

DEI Solutions Limited
Notes forming part of the Financial Statements

Note 7(a): Share Capital and Other Equity:

Particulars	Equity Share Capital as at Dec 31, 2022	
	31st Dec, 2023	**31st Dec, 2022**
AUTHORISED	1,00,000	1,00,000
As at 1st Jan, 2023	1,00,000	1,00,000
Shares issued	-	-
As at 31st Dec, 2023	**1,00,000**	**1,00,000**

Note 7(b): Reserves and surplus

Particulars	**31st Dec, 2023**	**31st Dec, 2022**
Retained Earnings	(4,31,53,678)	(3,45,84,602)
Total	**(4,31,53,678)**	**(3,45,84,602)**

Particulars	**31st Dec, 2023**	**31st Dec, 2022**
Opening Balance [Jan 01, 2023]	(3,45,84,602)	-3,17,50,550
Net Profit For the period	(85,69,076)	-28,34,052
Closing Balance	**(4,31,53,677.9)**	**-3,45,84,602**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI Solutions Limited
Notes forming part of the Financial Statements

Note 11: Revenue from Operations

Particulars	31st Dec, 2023	31st Dec, 2022
Sale of Services	19,62,800	51,11,196
Total	**19,62,800**	**51,11,196**

Note 12: Other Income and other gains/(losses)

Particulars	31st Dec, 2023	31st Dec, 2022
Profit on sale of property, plant and equipment (Net)	2,209	
Exchange gain/Loss	23,601	25,20,813
Total	**25,810**	**25,20,813**

Note 13: Employee Benefit Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Salaries Wages and Bonus	15,89,767	31,95,822
Contribution to Provident and Other Funds	78,227	1,02,276
Gratuity	3,32,048	47,901
Staff Welfare Expenses	1,07,779	2,71,106
Staff Training, Recruitment and Other Costs	24,164	87,486
Incentives to Staff	23,350	1,69,127.8
Total	**21,55,335**	**38,73,720**

Note 14: Finance Costs

Particulars	31st Dec, 2023	31st Dec, 2022
Other Finance Charges	48,273	45,202
Total	**48,273**	**45,202**

Note 15: Depreciation and Amortisation Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Depreciation on Tangible Assets	8,89,656	14,60,316
Total	**8,89,656**	**14,60,316**

Note 16: Other Expenses

Particulars	31st Dec, 2023	31st Dec, 2022
Rent	67,187	2,85,658
Stores and tools consumed	950	23,097
Electricity	20,942	10,961
Repairs to Others	58,304	13,006
Insurance	12,630	22,108
Licence Fees	2,644	18,628
Travelling Expenses	2,87,529	3,32,505
Legal and Professional Charges (refer note 21 (a))	2,30,343	2,69,874
Group Resource Cost [GRC]Expenses	5,24,312	24,95,328
Printing and Stationery	394	25,215
Equipment hire charges	80,629	51,800
Communication expenses	43,342	82,543
Exchange gain/Loss	2,72,805	783
Miscellaneous Expenses	55,482	64,828
Total	**16,57,493**	**36,96,332**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Note 20: Other Expenses

Particulars	31st Dec, 2023	31st Dec, 2022
Rent	11,042	11,323
Stores and tools consumed	47,244	111,311
Electricity	7,077	1,891
Repairs to Others	18,171	10,836
Insurance	99,867	25,113
Rates and Taxes	14,893	15,034
Licence Fees	344,589	689,053
Security Services	-	-
Travelling Expenses	390,376	186,091
Vehicle Running and Maintenance Expenses	300	1,137
Commission to Directors	-	28,607
Legal and Professional Charges (refer note 21 (a))	139,969	67,443
Payment to Auditors - As Auditors Statutory and limited review	14,483	-
Group Resource Cost [GRC]Expenses	1,381,285	1,021,177
Printing and Stationery	10,085	-
Equipment hire charges	1,475	-
Communication expenses	83,819	95,858
Loss on sale of property, plant and equipment (Net)	-12,873	-
Miscellaneous Expenses	119,976	142,518
Total	**2,671,779**	**2,407,389**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Financial Statements

Digiphoto SAE
For the year ended 31 December 2023

Contents

Auditor’s Report on Separate Financial Statements

Digiphoto SAE
For the year ended 31 December 2023

TO THE SHAREHOLDERS OF DIGIPHOTO SAE

Report on the Financial Statements

We have audited the accompanying financial statements of Digiphoto SAE (‘the Company’), represented in statement of financial position as of 2023 , and the related statements of profit or loss, comprehensive income, cash flow and the changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statement

The financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, include the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements refereed to above, give true and fair view, in all material respects, of the separate financial position of Digiphoto SAE as of 2023, and its financial performance and its cash flow for the period from 1 January 2023 till 31 December 2023 in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Report on other Legal and Regulatory Requirements

The company maintains proper accounting records that comply with the laws and the Company's articles of association and the financial statements agree with the Company's records

The financial information included in the Management Report, prepared in accordance with Law No. 159 of 2981 and its executive regulation, is in agreement with the books of the Company insofar as such information recorded therein.

Ramy Shalash

RAA 26825

[Cairo]

Dated: 22 July 2024

Separate Statement of Financial Position

Digiphoto SAE
As at 31 December 2023

	31 DEC 2023	31 DEC 2022
Assets		
Fixed assets		
Computer Equipment	2,027,512	1,645,138
Less Accumulated Depreciation on Computer Equipment	(1,847,347)	(1,451,028)
Fixture & Fittings	477,991	476,691
Less Accumulated Depreciation on Fixture & Fittings	(325,004)	(479,929)
Total Fixed assets	**333,153**	**190,873**
Current Assets		
Cash and Cash Equivalents		
Cash and cash equivalents		
CIB EGP	4,714,582	664,569
Petty Cash	49,602	38,831
Ramy's Cash	-	6,391
CIB_CPS	15,461	20,347
Paymob	1,226	7,597
Total Cash and cash equivalents	**4,780,872**	**737,735**
Total Cash and Cash Equivalents	**4,780,872**	**737,735**
Trade and Other Receivables		
Trade receivables		
Accounts Receivable	2,389,925	3,308,601
Total Trade receivables	**2,389,925**	**3,308,601**
Prepayments		
Prepayments	86,438	10,735
Total Prepayments	**86,438**	**10,735**
Total Trade and Other Receivables	**2,476,363**	**3,319,336**
Current Tax Asset	870,762	584,204
Inventories		
Inventories	596,439	339,707
Total Inventories	**596,439**	**339,707**
Total Current Assets	**8,724,436**	**4,980,982**
Total Assets	**9,057,589**	**5,171,855**
Equity and Liabilities		
Equity		
Share Capital		
Share capital	62,500	62,500
Total Share Capital	**62,500**	**62,500**

	31 DEC 2023	31 DEC 2022
Retained Earnings	(14,516,767)	(10,018,528)
Total Equity	**(14,454,267)**	**(9,956,028)**
Liabilities		
Non-Current Liabilities		
Other Non-Current Liabilities	6,611,472	4,310,861
Total Non-Current Liabilities	**6,611,472**	**4,310,861**
Current Liabilities		
Trade and Other Payables		
Trade payables	9,741,483	3,866,165
Related party payables (current)	4,669,888	4,669,888
Total Trade and Other Payables	**14,411,371**	**8,536,052**
Current Tax Liability		
Tax		
Payroll Tax Payable FT	5,746	5,901
Social Insurance Payable	17,638	13,111
Withholding Tax Payable (WHT)	1,915,496	1,887,105
Value Added Tax Payable (VAT)	133,571	68,033
Total Tax	**2,072,451**	**1,974,149**
Total Current Tax Liability	**2,072,451**	**1,974,149**
Other Current Liabilities		
Current liabilities		
Accrued Expenses	377,006	276,876
Rounding	-	1
Suspense	39,556	29,942
Total Current liabilities	**416,562**	**306,819**
Total Other Current Liabilities	**416,562**	**306,819**
Total Current Liabilities	**16,900,384**	**10,817,021**
Total Liabilities	**23,511,856**	**15,127,882**
Total Equity and Liabilities	**9,057,589**	**5,171,855**

Exchange rates used to convert foreign currency into EGP are shown below. Rates are provided by XE.com unless otherwise stated.

- **31 Dec 2023**
  - 0.118838 AED (United Arab Emirates Dirham)
  - 2.69197 INR (Indian Rupee)
  - 0.0323588 USD (United States Dollar)
- **31 Dec 2022**
  - 0.148286 AED (United Arab Emirates Dirham)
  - 3.34006 INR (Indian Rupee)

Separate Statement of Profit or Loss

Digiphoto SAE

For the year ended 31 December 2023

	2023	2022
Revenue		
Sales	13,286,536	7,115,803
Total Revenue	**13,286,536**	**7,115,803**
Cost of Sales		
COGS	35,000	-
Cost of Goods Sold	3,688,542	2,663,190
Wages and Salaries	2,287,984	1,578,142
Total Cost of Sales	**6,011,526**	**4,241,332**
Gross Profit	**7,275,010**	**2,874,471**
Expenses		
Administrative Expenses		
Audit fees		
Audit Expenses	125,475	100,380
Total Audit fees	**125,475**	**100,380**
Insurance		
Insurance	4,333	15,387
Total Insurance	**4,333**	**15,387**
Directors, trustees and related party fees		
Royalty Fees	4,015,789	2,081,502
Total Directors, trustees and related party fees	**4,015,789**	**2,081,502**
Professional and consulting fees		
Consulting & Accounting	860,434	358,610
Total Professional and consulting fees	**860,434**	**358,610**
Total Administrative Expenses	**5,006,031**	**2,555,878**
Other Expenses		
Expense		
Bank Fees	18,330	37,478
Cleaning	-	980
Employee Leaves	7,906	-
Freight & Courier	18,500	71,134
FX Gain (Loss) Unrealized	2,306,180	4,307,381
General Expenses	213,921	41,530
Interest Expense	967	451
Office Expenses	29,050	61,100
Paymob Exp.	20,445	8,934
Payroll Tax Settlement	230,027	1,966
Petty Cash Expenses	-	4,073
Printing & Stationery	12,371	2,407

	2023	2022
Provision Expenses	-	129,762
Rent	1,761,331	807,713
Round off pay	-	(194)
Social Insurance Expense - Company Contribution	141,006	117,628
Solidarity Contribution	33,216	17,790
Staff Cost	609,955	-
Subscriptions	66,450	280
Telephone & Internet	20,670	11,181
Uniform	21,880	-
Total Expense	**5,512,206**	**5,621,594**
Depreciation	241,394	166,601
Repairs and maintenance	24,010	1,750
Realised foreign currency gains and losses	-	(90,611)
Unrealised foreign currency gains and losses	403,414	180,099
Travel and accommodation	586,195	5,600
Total Other Expenses	**6,767,219**	**5,885,033**
Total Expenses	**11,773,249**	**8,440,911**
Profit (Loss) Before Tax	**(4,498,239)**	**(5,566,440)**
Profit (Loss) for the Period from Continuing Operations	**(4,498,239)**	**(5,566,440)**
Profit (Loss) for the Period	**(4,498,239)**	**(5,566,440)**
Total Comprehensive Income for the Period	**(4,498,239)**	**(5,566,440)**

Separate Statement of Comprehensive Income

Digiphoto SAE

For the year ended 31 December 2023

	2023	2022
Revenue		
Sales	13,286,536.03	7,115,803.04
Total Revenue	**13,286,536.03**	**7,115,803.04**
Cost of Sales		
COGS	35,000.00	-
Cost of Goods Sold	3,688,542.02	2,663,189.95
Wages and Salaries	2,287,984.22	1,578,142.26
Total Cost of Sales	**6,011,526.24**	**4,241,332.21**
Gross Profit	**7,275,009.79**	**2,874,470.83**
Expenses		
Administrative Expenses	5,006,030.54	2,555,877.95
Other Expenses	6,767,218.67	5,885,033.07
Total Expenses	**11,773,249.21**	**8,440,911.02**
Profit (Loss) Before Tax	**(4,498,239.42)**	**(5,566,440.19)**
Profit (Loss) for the Period from Continuing Operations	**(4,498,239.42)**	**(5,566,440.19)**
Profit (Loss) for the Period	**(4,498,239.42)**	**(5,566,440.19)**
Total Comprehensive Income for the Period	**(4,498,239.42)**	**(5,566,440.19)**

Statement of Cash Flows - Indirect Method

Digiphoto SAE

For the year ended 31 December 2023

	2023	2022
Operating Activities		
Profit after taxation	(4,498,239)	(5,566,440)
Adjustments for non-cash items		
Depreciation	241,394	166,601
Changes in operating assets and liabilities		
Accounts receivable	918,676	(1,730,069)
Inventory	(256,732)	(50,364)
Other current assets	(286,558)	(69,224)
Accounts payable	5,570,206	1,064,108
Other current liabilities	109,743	155,453
Net cash provided by operating activities	**1,798,489**	**(6,029,936)**
Investing Activities		
Payment for property, plant & equipment	(1,300)	-
Other cash items from investing activities	(15,500)	393,100
Net cash provided by investing activities	**(16,800)**	**393,100**
Financing Activities		
Other cash items from financing activities	2,300,611	4,308,603
Net cash provided by financing activities	**2,300,611**	**4,308,603**
Net Cash Flows	**4,082,300**	**(1,328,233)**
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	709,791	1,857,925
Cash and cash equivalents at end of period	4,764,184	709,791
Net change in cash for period	**4,054,393**	**(1,148,134)**

Notes to the Separate Financial Statements

Digiphoto SAE
For the year ended 31 December 2023

1. Introduction

Digiphoto Company (S.A.E) (the company) is an Egyptian joint stock company incorporated on 20 July 2016 under the provisions of companies' law No. 159 for the year 1981. The company was registered in the commercial register under registration No. 95340 on 20 JULY 2016.

The purpose of the company is photography, general trading and distribution. The Company may have interest or participate by any means with corporates and others, which practice business simitar to lts business or which may assist it to achieve its purpose ln Egypt or abroad, as it may merge in the aforementioned bodies or acquire it and this is according to provisions of law and its executive regulation.
The company registered office is at 18 El Obour Buildings, Salah Salem Street. Nasr City, Cairo, Egypt

The company's parent is UAE company DEI HOLDINGS LIMITED.

2. Accounting Policies

The following is a summary of the most significant accounting policies applied in the preparation of these separate financial statements:

2-1 BASIS OF PREPARATION

The separate financial statements of the company are prepared in accordance with Egyptian Accounting Standards (“EAS”) and the related applicable laws and regulations.

The financial statement shave been prepared in Egyptian pounds (LE), which is the Company’s functional and presentation currency.

The financial statement shave been prepared under the going concern assumption on a historical cost basis.

2-2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumption sand estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimate sand their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

The key judgement and estimates that have significant impact on the financial statement of the Company are discussed below:

Judgement

The general personal judgments for implementation of the company accounting policies:

In general the application of the company's accounting policies does not require from management the use of personal judgment (except relating to significant accounting estimate and judgments described below which might have a major impact on the value recognized at the financial statement).

Estimations

Estimates and adjustments 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Taxes

The Company is subject to income taxes in Egypt. Significant judgment is required to determine the total provision for current and deferred taxes. The Company established provisions,based on reasonable estimates, for possible consequences of audits by the tax authorities in Egypt. The amount of such provision is based on various factors,such as experience of previous tax audits and differing interpretations of tax regulations by the Company and the responsible tax authority. Such differences of interpretations may arise on a wide variety of issues depending on the conditions prevailing in Egypt.

2-3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Transactions in foreign currencies rerecorded at the rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. All differences are recognized in the statement of income.

Non monetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.

Non monetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair values determined.

Accounts receivable and other debit balances

Accounts receivable and other debit balances are stated at original invoice amount less any impairment losses.

Provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.Impairment losses are measured as the difference between the receivables carrying amount and the present value of estimated future cash flows.

Suppliers and accrued expenses

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Trade parables are generally carried at the value of goods or services received from others, whether invoiced or not. Trade parables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trades payable are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method, where material.

Expenses

All expenses including operating expenses,general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

Related party transactions

Related parties represent in parent company ,associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the boards of directors.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months less bank overdrafts.

Statement of cash flows

The statement of cash flows is prepared using the indirect method.

FAIR VALUE MEASUREMENT

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 measurements 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 the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted assets, fair value is determined by reference to the market value of similar asset or is based on the expected discounted cash flows.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservant inputs.

All assets and liabilities for which fair values measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

· Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are adjusted) for identical assets or liabilities.

· Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within 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 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that aren't based on observable market data (unobservant inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Capital

The Company's authorized capital amounts LE 2,500,000, the issued capital is LE 250,000, shares are divided over 2,500 of par value LE 100 each while the Company's paid up capital amounts LE 62,500 as follows:

Shareholder	Number of shares	Participation %	Issued Capital LE	Paid up Capital LE
RAMAKRISHNAN KALAPATHY SHANKAR	25	1%	2,500	625
SANGHAMITRA RAMAKRISHNAN KALPATHY	25	1%	2,500	625

DEI HOLDINGS LIMITED	2,450	98%	245,000	61,250
Total	2,500	100%	250,000	62,500

4. Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the company include bank balances and cash, trade receivables, prepayments and due from related parties.Financial liabilities of the company include trade and accrued expenses, due to related parties and tax liability.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

5. Related Parties

Forthe purpose of these financial statements, parties are considered to be relatedto the Company, if the Company has the ability, directly or indirectly, tocontrol the party or exercise significant influence over the party in makingfinancial and operating decisions, or vice versa, or where the Company and theparty are subject to common control. Related parties may be individuals orother entities.

Transactions with related parties represent transactions with theultimate shareholders and their associates and subsidiaries.

Year end balances arising from transactions with related partiesare summarized below :

6. Tax Position

Due to the nature of the procedures for estimating tax liabilities in the Arab Republic of Egypt, the final results of this estimate by the tax authority may not be realistic. Therefore, there may be additional contingent liabilities arising from the tax assessment of the Company’s tax payable. The following is a summary of the tax position of the Company as of date.

Corporate income tax
The Company submitted its tax return on regular basis since inception till date according to the tax law no. 91/2005. The Company’s books currently under inspection.

Payroll tax
The company deducted the salaries tax according to tax law no. 91/2005 and the Company’s books has been inspected since company establishment till 2022 and the company paid the original tax differences due.

Value Added Tax

The Company submit VAT returns on regular basis since inception till date. The Company's books have not been inspected yet.

Withholding tax
The Company applies the withholding tax provision on its transaction with private sector according to tax law no. 91/2005 and the Company’s books have not been inspected yet.

Stamp Tax

The Company books has been inspected since company establishment till December 2021 and the company paid the original tax differences due.

Digiphoto Entertainment Imaging Co.,Ltd.

Annual Financial Statements

For the year ended 31 December 2023

Independent Auditor's Report

To the Shareholders of Digiphoto Entertainment Imaging Co., Ltd.

Opinion

I have audited the financial statements of Digiphoto Entertainment Imaging Co., Ltd. (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of income, and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (revised 2022).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The Emphasis Information and Events

Without qualifying our opinion as discussed in Notes 7, as at December 31, 2023, the Company has current liabilities over than current assets of Baht 37,812,785.79, the Company has retained earning deficit of Baht 34,796,419.54 and the Company has deficit over share capital of Baht 14,796,419.54. These matters raise substantial doubt about its ability to continue as a going concern.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (revised 2022), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit . I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Suvit Chanampom)
CPA No. 3800
April 19, 2024
Tsedeq Accounting and Tax Co., Ltd.
98/162 Soi Ramkhamheang 39, Wangthonglang, Bangkok

Digiphoto Entertainment Imaging Co., Ltd

Statement of Financial Positions

As at December 31, 2023

Assets

		Baht	
Current assets		**2023**	**2022**
Cash and Cash equivalent	(Note 4)	1,795,863.36	2,952,896.40
Accounts Receivable and other receivable		7,604,174.45	3,522,548.37
Inventories		1,467,616.18	654,110.77
Other current assets		238,329.33	176,363.62
Total current assets		11,105,983.32	7,305,919.16
Non current assets			
Long term loan to related person	(Note 5)	21,812,450.72	21,812,450.72
Equipment - net	(Note 6)	1,203,915.53	1,649,153.00
Total non current assets		23,016,366.25	23,461,603.72
Total assets		34,122,349.57	30,767,522.88

The statutory financial statements were approved by The Annual Meeting of Shareholders on 30 April 2024.

(Mr Ramakrishnan Kalapathy Shankar)

Director

The accompanying notes are an integral part of these financial statements

Digiphoto Entertainment Imaging Co., Ltd

Statement of Financial Positions

As at December 31, 2023

Liabilities and Shareholders' equity

	Baht	
Current liabilities	**2023**	**2022**
Account Payable - Related parties	46,176,442.70	43,682,705.92
Account Payable - Other	2,644,667.21	1,294,523.98
Other Current Liabilities	97,659.20	246,093.17
Total current liabilities	48,918,769.11	45,223,323.07
Total liabilities	48,918,769.11	45,223,323.07
Shareholders' equity		
Share capital		
Registered		
20,000 ordinary shares of baht 1,000 each	20,000,000.00	20,000,000.00
Issued, and fully Paid-up		
20,000 ordinary shares of baht 1,000 each	20,000,000.00	20,000,000.00
Retained earning (deficit)	(34,796,419.54)	(34,455,800.19)
Total shareholders' equity	(14,796,419.54)	(14,455,800.19)
Total liabilities and shareholders' equity	34,122,349.57	30,767,522.88

....

(Mr Ramakrishnan Kalapathy Shankar)

Director

The accompanying notes are an integral part of these financial statements

Digiphoto Entertainment Imaging Co., Ltd

Statements of income

For year ended December 31, 2023

	Baht	
Revenue	**2023**	**2022**
Service income	16,715,314.59	8,505,597.27
Other income	319,510.74	-
Total revenue	17,034,825.33	8,505,597.27
Cost and Expenses		
Cost of Service	11,040,298.15	6,882,666.81
Selling expenses	50,160.86	86,173.26
Administrative expenses	6,284,985.67	5,412,089.49
Total cost and expenses	17,375,444.68	12,380,929.56
Net loss for the year	(340,619.35)	(3,875,332.29)

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(Mr Ramakrishnan Kalapathy Shankar)

Director

The accompanying notes are an integral part of these financial statements

Digiphoto Entertainment Imaging Co., Ltd

Statements of changes in shareholders' equity

For year ended December 31, 2023

			in baht
	Issued and paid up ordinary shares	Retained earnings (deficit)	Total equity of the Company's shareholders
Balance at January 1,2022	20,000,000.00	(30,580,467.90)	(10,580,467.90)
Net Loss for the year	-	(3,875,332.29)	(3,875,332.29)
Balance at December 31, 2022	20,000,000.00	(34,455,800.19)	(14,455,800.19)
Net Loss for the year	-	(340,619.35)	(340,619.35)
Balance at December 31, 2023	20,000,000.00	(34,796,419.54)	(14,796,419.54)

(Mr Ramakrishnan Kalapathy Shankar)

Director

The accompanying notes are an integral part of these financial statements

1 General Information

Digiphoto Entertainment Imaging Co., Ltd "the Company", is incorporated in Thailand on August 21, 2012 and has its registered office at 19 Soi Therdthai 77, Bangwa, Pasricharoen District, Bangkok.
The company has registration number 0105555122356

The principal activities of the Company is providing customized imaging solutions to theme parks, resorts and entertainment arenas as well as retail sale of accessories and frames.

2 Basis of preparation of financial statements

The Financial statements are prepared in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs); guidelines promulgated by the Federation of Accounting Professions (FAP).

The preparation of financial statements in conformity with TFRS for NPAEs required management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future period affected.

3 Significant accounting policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange closing rates ruling for the period then ended. Foreign exchange differences arising on translation are recognized in the statement of income.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash balances, current accounts and call deposits.

(Mr Ramakrishnan Kalapathy Shankar)

Director

(c) Trade accounts receivable

Trade accounts receivable are stated at their invoice value less allowance for doubtful accounts.

Any allowance for loss on doubtful account is assessed primarily on analysis of payment histories and future expectations of customer payments. Allowance made are based on historical write-off patterns and the aging of accounts receivable. Bad debts are written off when incurred.

(d) Inventories

Inventories are stated at the lower of cost and net realizable value.
Cost is calculated using the weighted-average.

(e) Equipment

Equipment are stated at cost less accumulated depreciation and allowance for devaluation (If any)

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. The estimated depreciation rates are 3-5 years.

(f) Provision

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefit

Obligations for retired benefits are recognised using the best estimated method at the reporting date.

(g) Revenues

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.
Services rendered
Service income is recognised as services are provided.

(h) Income tax

Income tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and income tax expense recognized in the statement of income by using income tax payable method net from withholding tax refundable and record as liability.

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(Mr Ramakrishnan Kalapathy Shankar)
Director

Digiphoto Entertainment Imaging Co., Ltd

Notes to financial statements

As at December 31, 2023

4 Cash and cash equivalents

	Baht	
	2023	2022
Cash on hand	10,000.10	7,361.00
Cash deposit in current account	1,785,863.26	2,945,535.40
Total	1,795,863.36	2,952,896.40

5 Long term loan to related person

The Company has long-term loan to director amounting to 20 million baht with no interest charge since 2016.

There is no specific date of repayment and no colleateral against loan.

The balance of loan comprise of the following:-

	Baht	
	2023	2022
Principal of loan	20,000,000.00	20,000,000.00
Accrued interest	1,812,450.72	1,812,450.72
Total	21,812,450.72	21,812,450.72

6 Equipment - net

	Baht			
	1 January 2023	Increase	Decrease	31 December 2023
Cost				
Computer & Equipment	5,391,489.69	536,468.73	-	5,927,958.42
Fixtures&Fittings	692,115.00	29,418.00	-	721,533.00
Total	6,083,604.69	565,886.73	-	6,649,491.42
Accumulated Depreciation				
Computer & Equipment	3,885,542.03	909,965.34	-	4,795,507.37
Fixtures&Fittings	548,909.66	101,158.86	-	650,068.52
Total	4,434,451.69	1,011,124.20	-	5,445,575.89
Net Book Value	1,649,153.00			1,203,915.53

7 Going concern

The company has net loss from operation for the year ended December 31, 2023 and 2022 of Baht 340,619.35 and Baht 3,875,332.29 respectively and as at December 31, 2023 and 2022, the Company has retained earning deficit of Baht 34,796,419.54 and Baht 34,455,800.19 respectively and the Company has deficit over share capital of Baht 14,796,419.54 and Baht 14,455,800.19 respectively. However, the Company's managements from related parties and shareholders fo the compnay have committed to provide finanicial support to the Company for comtinuing its business and to meet its funding requirement to repay loan when due. These financial statements are prepared with generally accepted accounting principles under the going concern basis.

8 The approval of financial statement

The financial statements were authorised for issue by the directors on April 19, 2024.

(Mr Ramakrishnan Kalapathy Shankar)

Director

DEI HOLDINGS LIMITED
P.O. Box 214745, Dubai, United Arab Emirates

Management Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2023 All figures are expressed in US Dollars	Notes	31.12.2023	31.12.2022
Continuing operations			
Revenue from contract with customers		-	-
Cost of revenue		-	-
Gross profit		-	-
Other income	1	3,76,463	4,32,470
Other administrative expenses	2	(3,79,000)	(3,23,743)
Operating Profit		(2,537)	1,08,727
Finance cost	3	(23,17,843)	(12,29,521)
Finance income		22,89,551	12,29,080
Profit from continuing operations		(30,829)	1,08,286
Discontinued operations			
Loss for the year from discontinued operations		-	-
Profit for the year		**(30,829)**	**1,08,286**
Attributable to :			
Shareholders of the Company		(30,829)	1,08,286
Non-controlling interest		0	0
Profit for the year		(30,829)	1,08,286
Other comprehensive income			
- Items that will not be reclassified subsequent to profit or loss		-	-
- Items that may be reclassified subsequent to profit or loss		-	-
Other comprehensive income for the year		-	-
Total Comprehensive income for the year		**(30,829)**	**1,08,286**
Attributable to:			
Shareholders of the Company		(30,829)	1,08,286
Non-controlling interest		-	-
		(30,829)	1,08,286

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI HOLDINGS LIMITED
P.O. Box 214745, Dubai, United Arab Emirates

Management Account

For the year ended December 31, 2023 All figures are expressed in US Dollars	Notes	31.12.2023	31.12.2022
ASSETS			
Non-Current Assets			
Investments in subsidiaries	4	26,76,717	26,69,319
Financial assets at amortised cost	5	2,43,54,699	2,42,85,923
Total non-current assets		2,70,31,416	2,69,55,242
Current Assets			
Financial assets at amortised cost	5	11,54,863	10,08,871
Cash and bank balances	6	18,973	98,696
Other assets	7	15,044	15,044
Total current assets		11,88,880	11,22,611
Total assets		**2,82,20,296**	**2,80,77,853**
LIABILITIES			
Current Liabilities			
Financial liabilities at amortised cost	8	78,06,562	45,33,290
Total current liabilities		78,06,562	45,33,290
Total liabilities		**78,06,562**	**45,33,290**
Net assets		**2,04,13,734**	**2,35,44,563**
EQUITY			
Share capital	9	13,615	13,615
Shareholders' loan accounts	10	2,14,57,185	2,45,57,185
Retained earnings	11	(10,57,066)	(10,26,237)
Total equity		**2,04,13,734**	**2,35,44,563**

Neeraj Goyal
Finance controller

Director/Authorised Signatory

DEI HOLDINGS LIMITED
P.O. Box 214745, Dubai, United Arab Emirates

Notes to the Financial Statements

For the year ended December 31, 2023
All figures are expressed in US Dollars

		31.12.2023	31.12.2022
1	**Other Income**		
	Royalty income	3,76,463	4,32,470
		3,76,463	4,32,470

		31.12.2023	31.12.2022
2	**Other Administrative Expenses**		
	Professional fees	38,209	19,902
	Other expenses	3,40,791	3,03,841
		3,79,000	3,23,743

3	**Finance Cost**		
	Interest on borrowings	36,822	36,822
	Interest on shareholders' loan	22,81,021	11,92,699
		23,17,843	12,29,521

4	**Investments in Subsidiaries**		
	Investment in Digiphoto Studio	100	100
	Investment in DEI General Trading LLC	81,674	81,674
	Investment in Digiphoto Electronics Repairing LLC	81,674	81,674
	Investment in Digiphoto Entertainment Imaging PTE Ltd.	100	100
	Investment in Digiphoto Entertainment Imaging SDN.BHD	100	100
	Investment in PT Digiphoto Imaging Indonesia	100	100
	Investment in Digiphoto Entertainment Imaging Co.LTD.	100	100
	Investment in Digiphoto Entertainment Imaging Limited	100	100
	Investment in Digiphoto Imaging (Macau) Limited	100	100
	Investment in Digiphoto Entertainment Imaging Limited	22,00,000	22,00,000
	Investment in Subsidiary - 500 FT SPV Limited	95,368	95,368
	Investment in Subsidiary - DEI Canada	7,398	-
	Investment in Digiphoto, joint stock Company	6,888	6,888
	Investment in Digiphoto Entertainment Imaging Korea LLC,Korea	2,00,000	2,00,000
	Investment in DEI Solutions LTD	3,015	3,015
		26,76,717	26,69,319

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI HOLDINGS LIMITED
P.O. Box 214745, Dubai, United Arab Emirates

Notes to the Financial Statements

5 Financial Assets at Amortised Cost

Long term financial assets at amortised cost	31.12.2023	31.12.2022
Fixed deposits	-	9,755
Loan given to related party	2,43,54,699	2,42,76,168
	2,43,54,699	2,42,85,923

Short term financial assets at amortised cost	31.12.2023	31.12.2022
Interest receivable	-	
Due from related parties	10,83,691	9,38,071
Other receivables	2,480	18,846
VAT receivable	68,692	51,954
	11,54,863	10,08,871

6 Cash and Bank Balances

Balance with bank in current account	18,973	98,696

7 Other Assets

Other Advances	-	
Prepayments	15,044	15,044
	15,044	15,044

8 Financial Liabilities at Amortised Cost

Short term financial liabilities at amortised cost		
Short term loan	8,98,772	2,99,960
Accruals	41,842	48,640
Other Payables	1,63,348	1,63,348
Due to related parties	21,82,440	16,72,807
Interest payable on loan received	45,20,160	23,48,535
	78,06,562	45,33,290

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI HOLDINGS LIMITED

P.O. Box 214745, Dubai, United Arab Emirates

9 Statement of Changes in Equity

For the year ended December 31, 2023
All figures are expressed in US Dollars

	Share Capital	Retained Earnings	Shareholders Loan Accounts	Total
Balance as at January 01, 2022	**13,615**	**(11,34,523)**	**2,00,07,185**	**1,88,86,277**
Profit / (Loss) for the year	-	1,08,286	-	1,08,286
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	1,08,286	-	1,08,286
Transaction with shareholders recorded directly in equity				
Funds introduced / withdrawn	-	-	45,50,000	45,50,000
Balance as at December 31, 2022	**13,615**	**(10,26,237)**	**2,45,57,185**	**2,35,44,563**
Profit / (Loss) for the year	-	(30,829)	-	(30,829)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(30,829)	-	(30,829)
Transaction with shareholders recorded directly in equity				
Funds introduced / withdrawn	-	-	(31,00,000)	(31,00,000)
Balance as at December 31, 2023	**13,615**	**(10,57,066)**	**2,14,57,185**	**2,04,13,734**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

DEI HOLDINGS LIMITED
P.O. Box 214745, Dubai, United Arab Emirates

Notes to the Financial Statements

		31.12.2023	31.12.2022
10	**Shareholders' Loan Accounts**		
	Travel Circle International (Mauritius) Ltd	1,52,70,000	1,83,70,000
	Ramakrishnan Kalapathy Shankar	61,87,185	61,87,185
		2,14,57,185	2,45,57,185
11	**Retained Earnings**		
	Balance as at beginning of the year	(10,26,237)	(11,34,523)
	Net profit / (loss) for the year	(30,829)	1,08,286
	Balance as at end of the year	(10,57,066)	(10,26,237)

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI General Trading LLC
Balance Sheet as at 31st Dec, 2023

Amt in AED

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:		-	-
Total non-current assets		-	-
Current assets:			
Inventories	1	-	1,928
Financial assets:-			
- Trade receivables	2	2,12,25,622	81,83,698
- Cash and cash equivalents	3	4,412	4,722
- Other Financial Assets	4	-	2,03,851
Other current assets	5	55,361	9,209
Total current assets		**2,12,85,395**	**84,03,408**
TOTAL ASSETS		**2,12,85,395**	**84,03,408**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	6(a)	3,00,000	3,00,000
Other equity			
Reserve and surplus	6(b)	(1,41,613)	(44,694)
Total Equity		**1,58,388**	**2,55,306**
LIABILITIES			
Non-current liabilities		-	-
Total non-current liabilities		-	-
Current liabilities			
Financial liabilities			
- Trade payables	7	2,09,36,435	80,01,102
Other current liabilities	8	1,90,573	1,47,000
Total current liabilities		**2,11,27,007**	**81,48,102**
TOTAL LIABILITIES		**2,11,27,007**	**81,48,102**
TOTAL EQUITY AND LIABILITIES		**2,12,85,395**	**84,03,408**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI General Trading LLC
Statement of Profit And Loss for the year ended as on 31st December, 2023

Amt in AED

Particulars	Notes	For the year ended as on Dec 31, 2023	For the year ended as on Dec 31, 2022
Income			
Revenue from operations	9	35,726	-
Other gains (net)	10	14,453	2,672
Total income		**50,179**	**2,672**
Expenses			
Cost of services		9,383	
Employee benefits expense	11	14,180	7,516
Finance Cost	12	6,092	6,349
Advertisement Expenses		18,004	
Other expenses	13	99,439	1,898
Total expenses		**1,47,098**	**15,763**
Profit before exceptional item		**(96,919)**	**(13,091)**
Add Exceptional items:			
Less Exceptional items:		-	
(Loss)/Profit before tax		**(96,919)**	**(13,091)**
Less : Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		**-**	**-**
(Loss)/Profit for the year (A)		**(96,919)**	**(13,091)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		-	
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		**-**	**-**
Total comprehensive income for the year (A+B)		**(96,919)**	**(13,091)**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI General Trading LLC
Notes forming part of the Financial Statements

Note 3: Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies		1,928
Total	-	1,928

Note 2: Trade receivables

Particulars	31st Dec, 2023	31st Dec, 2022
Trade receivables	2,12,25,622	81,83,698
Less : Allowance for doubtful debts	-	-
Total receivables	**2,12,25,622**	**81,83,698**
Break up of Security Details		
Secured, considered good	-	-
Unsecured, considered good	2,12,25,622	81,83,698
Unsecured, considered doubtful	-	-
Total	2,12,25,622	81,83,698
Less : Allowance for doubtful debts	-	-
Total	2,12,25,622	81,83,698

Note 3: Cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec, 2022
Balances with banks :		
In current accounts	4,412	4,722
Total	4,412	4,722

Note 4: Other financial Assets

Particulars	31st Dec, 2023	31st Dec, 2022
Other Receivable	-	2,03,851
Total	-	2,03,851

Note 5: Other Current Assets:

Particulars	31st Dec, 2023	31st Dec, 2022
Prepaid expenses	40,457	7,485
Balances receivables from Govt. authorities	14,904	1,724
Total	55,361	9,209

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI General Trading LLC
Notes forming part of the Financial Statements

Note 6(a): Share Capital and Other Equity

Particulars	Equity Share Capital	
	No of Shares (In lakhs)	Amount
AUTHORISED	300	3,00,000
As at 1st Jan, 2023	300	3,00,000
Shares issued	-	-
As at 31st Dec, 2023	**300**	**3,00,000**

Note 6(b): Reserves and surplus

Particulars	31st Dec, 2023	31st Dec, 2022
Retained Earnings	(1,41,613)	(44,694)
Total	**(1,41,613)**	**(44,694)**

Particulars	31st Dec, 2023	31st Dec, 2022
Opening Balance [Jan 01, 2023]	(44,694)	(31,603)
Net Profit For the period	(96,919)	(13,091)
Closing Balance	**(1,41,613)**	**(44,694)**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI General Trading LLC
Notes forming part of the Financial Statements

Note 7: Trade Payables

Particulars	31st Dec, 2023		31st Dec, 2022	
	Non-Current	Current	Non-Current	Current
Other Trade Payable	-	2,09,36,435	-	80,01,102
Total	-	2,09,36,435	-	80,01,102

Note 8: Other Current Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Advance receipts	1,47,000	1,47,000
Liabilities against expense	43,573	
Total	1,90,573	1,47,000

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

DEI General Trading LLC
Notes forming part of the Financial Statements

Note 9: Revenue from Operations

Particulars	31st Dec, 2023	31st Dec, 2022
Sale of Services	35,726	-
Total	**35,726**	**-**

Note 10: Other Income and other gains/(losses)
Other gains (net)

Particulars	31st Dec, 2023	31st Dec, 2022
Exchange gain/Loss	14,453	2,672
Total	**14,453**	**2,672**

Note 11: Employee Benefit Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Staff Training, Recruitment and Other Costs	14,180	7,516
Total	**14,180**	**7,516.0**

Note12: Finance Costs

Particulars	31st Dec, 2023	31st Dec, 2022
Other Finance Charges	6,092	6,349
Total	**6,092**	**6,349**

Note 13: Other Expenses

Particulars	31st Dec, 2023	31st Dec, 2022
Stores and tools consumed	1,16,092	
Licence Fees	3,283	
Legal and Professional Charges	150	
Printing and Stationery	1,990	
Communication expenses	2,460	1,898
Exchange gain/Loss	-33,736	-
Miscellaneous Expenses	9,200	-
Total	**99,439**	**1,898**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digi Photo Electronics Repairing LLC
Balance Sheet as at 31st Dec, 2023

Currency - AED

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:		-	-
Total non-current assets		-	-
Current assets:			
- Other financial assets	1	300,000	300,000
Total current assets		**300,000**	**300,000**
TOTAL ASSETS		300,000	300,000
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	2	300,000	300,000
Other equity			
Total Equity		**300,000**	**300,000**
LIABILITIES			
Non-current liabilities			
Total non-current liabilities		-	-
Current liabilities			
Total current liabilities		-	-
TOTAL LIABILITIES		-	-
TOTAL EQUITY AND LIABILITIES		300,000	300,000

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Note 1 Other Financial Assets:

Amt in AED

Particulars	31st Dec, 2023	31st Dec, 2022
Other Receivables	300,000	300,000
Total Other Financial Assets	**300,000**	**300,000**

Note 2 Share Capital and Other Equity:

Particulars	Equity Share Capital	
	No of Shares	Amount
AUTHORISED	300	300,000
As at 1st Jan, 2023	300	**300,000**
Shares issued	-	-
As at 31st Dec, 2023	300	**300,000**

The Company has equity shares having a par value of AED 1000 per share.

(i) Movement in Equity Share Capital and other capital during the Year

Particulars	Equity share capital	
	No of Shares	Amount
As at 1st Jan, 2023	300	300,000
Less: Share Forfeited		-
Add: Addition on account of stock options allotment		-
Add: exercise of options-proceeds received		-
As at 31st Dec, 2023	300	300,000

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Balance Sheet as at 31st Dec, 2023

Currency - KRW

Particulars	Notes	As at 31st Dec, 2023	As at 31st Dec, 2022
ASSETS:			
Non-current assets:			
Property, plant and equipment	3	164,173,094	89,356,949
Financial assets:-			
'- Other financial assets	4	27,511	9,240
Total non-current assets		**164,200,605**	**89,366,189**
Current assets:			
Inventories	5	118,497,109	134,849,755
Financial assets:-			
- Trade receivables	6(a)	109,380,986	145,986,735
- Cash and cash equivalents	6(b)	19,815,663	141,921,655
Other current assets	7	35,016,603	232,336,661
Total current assets		**282,710,360**	**655,094,805**
TOTAL ASSETS		**446,910,965**	**744,460,994**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	8(a)	240,000,000	240,000,000
Other equity			
Reserve and surplus	8(b)	(1,081,453,993)	(360,660,566)
Total Equity		**(841,453,993)**	**(120,660,566)**
LIABILITIES			
Current liabilities			
Financial liabilities			
- Borrowings	9	293,535,428	-
- Trade payables	10(a)	923,869,425	646,425,747
- Other financial liabilities	10(b)	23,532,242	19,372,277
Employee Benefit Payable		-	81,237,631
Other current liabilities	11	47,427,863	118,085,906
Total current liabilities		**1,288,364,958**	**865,121,560**
TOTAL LIABILITIES		**1,288,364,958**	**865,121,560**
TOTAL EQUITY AND LIABILITIES		**446,910,965**	**744,460,994**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Statement of Profit And Loss for the for the year ended as on 31st December, 2023

Currency - KRW

Particulars	Notes	For the year ended as on Dec 31, 2023	Period from March 15,2022 to Dec 31, 2022
Income			
Revenue from operations	12	301,434,703	1,115,667,449
Other gains (net)	13	-	10,883,602
Total income		**301,434,703**	**1,126,551,051**
Expenses			
Cost of services		134,746,517	529,272,829
Employee benefits expense	14	584,997,307	820,659,566
Finance Cost	15	12,859,360	180,000
Advertisement Expenses		378,434	-
Depreciation and amortisation expense	16	40,673,048	16,962,925
Depreciation - Right of Use Assets - Buildings		-	-
Other expenses	17	248,573,464	120,136,296
Total expenses		**1,022,228,130**	**1,487,211,617**
Profit before exceptional item		**(720,793,427)**	**(360,660,566)**
(Loss)/Profit before tax	-	**(720,793,427)**	**(360,660,566)**
Less : Tax expense			
Current tax			-
Deferred tax			-
Total tax expenses			-
(Loss)/Profit for the year (A)		**(720,793,427)**	**(360,660,566)**
Earnings/(Loss) per equity share (Face value of INR 1 each)			
- Basic earnings/(loss) per share			(1,502.75)
- Diluted earnings/(loss) per share			(1,502.75)

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 3: Property, plant and equipment:

Currency - KRW

Particulars	Furniture and Fixtures	Computers	Total
Gross carrying amount	846,491	105,473,383	106,319,874
Opening as at 1St Jan, 2022			-
Additions	4,580,000	110,909,193	115,489,193
Disposals/transfer			-
Closing gross carrying amount	**5,426,491**	**216,382,576**	**221,809,067**
Accumulated depreciation			
Opening as at 1St Jan, 2022	141,082	16,821,844	16,962,925
Depreciation charge during the year	866,255	39,806,793	40,673,048
Disposals			-
Change in Dep Policy			-
Closing accumulated depreciation	**1,007,336**	**56,628,637**	**57,635,973**
Net carrying amount as at 31st Dec, 2022	**705,409**	**88,651,540**	**89,356,949**
Net carrying amount as at 31st Dec, 2023	**4,419,154**	**159,753,940**	**164,173,094**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 4: Other financial assets

Particulars	31st Dec, 2023	31st Dec, 2022
Security deposits [Loans] - Non current - Unsecured	27,511	9,240
Total	**27,511**	**9,240**

Note: 5 Inventories

Particulars	31st Dec, 2023	31st Dec, 2022
Raw material, consumables and other supplies	118,497,109	134,849,755
Total	**118,497,109**	**134,849,755**

6(a)Trade receivables

Particulars	31st Dec, 2023	31st Dec, 2022
Trade receivables	109,380,986	**145,986,735**
Less : Allowance for doubtful debts		-
Total receivables	**109,380,986**	**145,986,735**

6(b) Cash and cash equivalents

Particulars	31st Dec, 2023	31st Dec, 2022
Balances with banks :		
In current accounts	15,416,109	137,522,101
Cash on hand (including foreign currencies- Notes and paid documents)	4,399,554	4,399,554
Total Cash and cash equivalents	**19,815,663**	**141,921,655**

Note 7: Other Current Assets:

Particulars	31st Dec, 2023	31st Dec, 2022
Balances receivables from Govt. authorities	35,016,603	232,336,661
Total	**35,016,603**	**232,336,661**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 8(a) Share Capital and Other Equity:

Particulars	Equity Share Capital#	
	No of Shares (In lakhs)	Amount
AUTHORISED		
As at 1st Jan, 2023	240,000	240,000,000
Add: Additional share issue		
Less: Forfeiture of shares	-	-
As at 31st Dec, 2023	**240,000**	**240,000,000**

#Consists of following:
240,000 Equity Shares of 1000/- each

(i) Movement in Equity Share Capital and other capital during the Year

Particulars	Equity share capital	
	No of Shares (In lakhs)	Amount
As at 1st Jan, 2022		
Add:Shares allotment as on March 15, 2022	**240,000**	**240,000,000**
Less: Share Forfeited		-
Add: Addition on account of stock options allotment		-
Add: exercise of options-proceeds received		-
As at 1st Jan, 2023	**240,000**	**240,000,000**
Less: Share Forfeited		
Add: Additional share issue		
Add: exercise of options-proceeds received		
Add: Additional share issue		
As at 31st Dec, 2023	**240,000**	**240,000,000**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 8(b) Reserves and surplus

Particulars	**31st Dec, 2023**	**31st Dec, 2022**
Retained Earnings	(1,081,453,993)	(360,660,566)
Total reserves and surplus	**(1,081,453,993)**	**(360,660,566)**

(vii) Retained Earnings

Particulars	**31st Dec, 2023**	**31st Dec, 2022**
Opening Balance [Jan 01, 2023]	(360,660,566)	-
Net Profit For the period	(720,793,427)	(360,660,566)
Closing Balance	**(1,081,453,993)**	**(360,660,566)**

Neeraj Goyal
Finance Controller
Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 9: Current Borrowings

Particulars	31st Dec, 2023	31st Dec, 2022
Unsecured		
Loans from Related Parties - Unsecured	293,535,428	-
Total Current Borrowings	**293,535,428**	**-**

Note 10: Financial Liabilities:

10(a) Other Financial Liabilities

Particulars	31st Dec, 2023		31st Dec, 2022	
	Non-Current	Current	Non-Current	Current
Liabilities against expense		11,060,898		19,372,277
Interest payable to Related parties		12,471,344		-
Total Other Financial Liabilities		**23,532,242**	**-**	**19,372,277**

10(b)Trade Payables

Particulars	31st Dec, 2023		31st Dec, 2022	
	Non-Current	Current	Non-Current	Current
-Dues of micro enterprises and small enterprises				-
-Dues of creditors other than micro enterprises and small enterprises				
(i) Acceptances				
(ii) Trade pyable to Related Parties				-
(iii) Trade pyable to Inter companies				-
(iv) Other Trade Payable		923,869,425		646,425,747
Total Trade Payables		**923,869,425**	**-**	**646,425,747**

Note 11: Other Current Liabilities

Particulars	31st Dec, 2023	31st Dec, 2022
Statutory Dues	47,181,597	118,085,906
Others	246,266	-
Total	**47,427,863**	**118,085,906**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Digiphoto Entertainment Imaging Korea LLC
Notes forming part of the Financial Statements as at and for the for the year ended as on 31st December, 2023

Note 12: Revenue from Operations

Particulars	31st Dec, 2023	31st Dec, 2022
Sale of Services	301,434,703	1,075,991,949
Total	**301,434,703**	**1,075,991,949**

Note 13: Other Income and other gains/(losses)

(b) Other gains (net)

Particulars	31st Dec, 2023	31st Dec, 2022
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer		10,883,602
Total	-	**10,883,602**

Note 14: Employee Benefit Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Salaries Wages and Bonus	462,472,881	638,498,038
Staff Welfare Expenses	61,656,372	54,716,853
Staff Training, Recruitment and Other Costs	60,868,053	127,444,675
Total	**584,997,307**	**820,659,566**

Note 15: Finance Costs

Particulars	31st Dec, 2023	31st Dec, 2022
Interest and finance charges on financial liabilities not at fair value through profit and loss	12,471,344	12,471,344
Other Finance Charges	388,016	180,000
Total	**12,859,360**	**12,651,344**

Note 16: Depreciation and Amortisation Expense

Particulars	31st Dec, 2023	31st Dec, 2022
Depreciation on Tangible Assets	40,673,048	16,962,925
Total	**40,673,048**	**16,962,925**

Note 17: Other Expenses

Particulars	31st Dec, 2023	31st Dec, 2022
Rent	3,164,939	8,735,048
Stores and tools consumed	5,807,057	12,450,047
Electricity	245,000	490,000
Repairs to Building	353,417	-
Repairs to Plant and machinery	1,181,818	-
Rates and Taxes	-	62,500
Licence Fees	890,863	17,661
Travelling Expenses	25,662,845	49,063,866
Vehicle Running and Maintenance Expenses	380,000	-
Legal and Professional Charges	15,810,434	29,037,538
Group Resource Cost [GRC]Expenses	173,332,155	-
Printing and Stationery	8,565,037	7,905,726
Communication expenses	5,463,988	4,439,458
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	4,768,930	669,449
Miscellaneous Expenses	2,946,981	7,265,004
Total	**248,573,464**	**120,136,296**

Neeraj Goyal
Finance Controller

Director/Authorised Signatory

Desert Adventures Tourism LLC

Separate financial statements

31 December 2023

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Directors' Report

The directors submit their report together with the audited separate financial statements of the Company for the year ended 31st December 2023.

LEGAL STATUS

Desert Adventures Tourism LLC is a limited liability company (the "Company") registered with the Department of Tourism and Commerce Marketing, Government of Dubai and Department of Economic Development.

The principal business activity of the Company is providing travel and tourism related services. The Company secures access to hotel accommodation and other travel and tourism related activities and sells it to customer who generally are tour operators, travel agents and other wholesalers.

The registered office of the Desert Adventures Tourism LLC is P.O. Box No. 25488, Dubai, United Arab Emirates.

SHARE HOLDINGS

The shareholding pattern of the Company as at 31st December 2023 and 31st December 2022 is as follows:

Name of the shareholder	Shareholding %
Travel Circle International (Mauritius) Limited	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2023 and 31st December 2022 are stated below:

Financial highlights	2023 AED	2022 AED
Net (loss) / Profit	(630,388)	931,763
Total equity	(42,671,839)	(42,041,451)

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

KPMG Lower Gulf Limited is eligible for reappointment for 2024 and has expressed its willingness to continue in office. The director recommends the reappointment of KPMG Lower Gulf Limited as auditor of the Company for the year ending 31 December 2024.

On behalf of the Board

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

Date: 30 August 2024

KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent auditors' report

To the Shareholder of Desert Adventures Tourism LLC

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Desert Adventures Tourism LLC ("the Company"), which comprise the separate statement of financial position as at 31 December 2023, the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Matter

The Group has prepared a separate set of consolidated financial statements for the year ended 31 December 2023 in accordance with IFRS Accounting Standards on which we issued a separate auditor's report to the shareholder of the Group, dated 02 September 2024.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report which is set out on Page 1.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 Company's internal control.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate 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 Company to cease to continue as a going concern.

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

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

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates

Date: 02 SEP 2024

Desert Adventures Tourism LLC

Separate statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Notes	**2023 AED**	2022 AED
Revenue	*4*	**345,723,919**	338,143,044
Cost of sales	*5*	**(317,979,919)**	(313,483,307)
Gross profit		**27,744,000**	24,659,737
Administrative and general expenses	*6*	**(26,673,485)**	(23,507,053)
Impairment loss on trade receivables	*12.1*	**(81,000)**	(250,000)
Other income	*8*	**776,035**	1,401,118
Results from operating activities		**1,765,550**	2,303,802
Finance income	*7*	**874,169**	868,550
Finance cost	*7*	**(3,270,107)**	(2,240,589)
(Loss)/Profit for the year		**(630,388)**	931,763
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(630,388)**	931,763

The notes on pages 9 to 35 are an integral part of these separate financial statements.

The independent auditors' report is set out on pages 2 - 4.

Desert Adventures Tourism LLC

Separate statement of financial position

As at 31 December 2023

	Notes	2023 AED	2022 AED
ASSETS			
Property and equipment	*9*	**1,464,550**	180,529
Intangible asset	*10*	**427,903**	254,821
Investment in subsidiaries	*11*	**1,435,575**	1,435,575
Non-current assets		**3,328,028**	1,870,925
Trade and other receivables	*12*	**40,231,483**	35,300,969
Due from related parties	*13*	**1,897,106**	7,300,860
Cash and cash equivalents	*14*	**5,883,633**	16,765,615
Current assets		**48,012,222**	59,367,444
Total assets		**51,340,250**	61,238,369
EQUITY AND LIABILITIES			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*17*	**150,000**	150,000
Shareholders contribution	*16*	**9,341,289**	9,341,289
Accumulated losses		**(52,463,128)**	(51,832,740)
Total equity		**(42,671,839)**	(42,041,451)
Liabilities			
Provision for employees' end of service benefits	*18*	**3,688,133**	3,069,767
Lease liability	*20*	**525,708**	-
Bank borrowings	*14.1*	**232,638**	-
Non-current liabilities		**4,446,479**	3,069,767
Trade and other payables	*19*	**69,418,065**	70,169,804
Due to related parties	*13*	**2,160,935**	641,177
Loan from holding Company	*13*	**-**	13,299,403
Bank borrowings	*14.1*	**17,516,562**	16,099,669
Lease liability	*20*	**470,048**	-
Current liabilities		**89,565,610**	100,210,053
Total liabilities		**94,012,089**	103,279,820
Total equity and liabilities		**51,340,250**	61,238,369

To the best of our knowledge, the separate financial statements fairly present, in all material respects, the separate financial position, results of operation and cash flows of the Company as of, and for the year ended 31 December 2023.

These separate financial statements were authorized for issue by the shareholders on 30 August 2024.

Salim Sikander
Chief Financial Officer

Peter Paye
Chief Executive Officer

The notes on pages 9 to 35 are an integral part of these separate financial statements.
The independent auditors' report is set out on pages 2 - 4.

Desert Adventures Tourism LLC

Separate statement of cash flows

For the year ended 31 December

	Notes	**2023** **AED**	2022 AED
Cash flows from operating activities			
(Loss)/Profit for the year		**(630,388)**	931,763
Adjustments for:			
Depreciation on property and equipment	*9*	**629,110**	525,378
Amortizations on intangible asset	*10*	**206,949**	162,621
Provision for employees' end of service benefits	*18*	**857,203**	467,566
Impairment loss on trade receivables	*12*	**81,000**	250,000
Interest expense on lease liability		**75,596**	3,617
Interest expense on loan from Holding Group		**645,464**	922,387
Interest expense on bank borrowings		**1,737,795**	982,364
Gain on sale of property and equipment		**(40,307)**	-
Net cash flows before working capital changes		**3,562,422**	4,245,696
Changes in:			
- trade and other receivables		**(5,011,514)**	(12,581,889)
- due from related parties		**5,403,754**	(2,738,966)
- due to related parties		**1,519,758**	(493,896)
- trade and other payables		**(751,739)**	12,793,390
Payment for employees' end of service benefits	*18*	**(238,837)**	(193,595)
Net cash from operating activities		**4,483,844**	1,030,740
Cash flows from investing activities			
Acquisition of property and equipment	*9*	**(500,009)**	(93,470)
Proceeds from disposal of property and equipment		**41,082**	-
Acquisition of intangible asset	*10*	**(380,031)**	-
Net cash used in investing activities		**(838,958)**	(93,470)
Cash flows from financing activities			
Proceeds from loan from Holding Group		**10,095,250**	16,132,583
Repayment of loan from Holding Group		**(24,040,117)**	(17,825,972)
Proceeds from bank borrowings		**1,649,531**	16,099,669
Repayment of bank borrowings		**-**	-
Repayment of interest on bank borrowings		**(1,737,795)**	(982,364)
Payment of lease liabilities		**(493,737)**	(449,388)
Net cash (used in) / from financing activities		**(14,526,868)**	12,974,528
Net (decrease) / increase in cash and cash equivalents		**(10,881,982)**	13,911,798
Cash and cash equivalents at beginning of the year		**16,765,615**	2,853,817
Cash and cash equivalents at end of the year	*14*	**5,883,633**	16,765,615

The notes on pages 9 to 35 are an integral part of these separate financial statements.

The independent auditors' report is set out on pages 2 - 4.

Desert Adventures Tourism LLC

Separate statement of changes in equity

For the year ended 31 December

	Share capital AED	**Statutory reserve AED**	**Shareholders' contribution AED**	**Accumulated losses AED**	**Total AED**
At 1 January 2022	300,000	150,000	9,341,289	(52,764,503)	(42,973,214)
Total comprehensive income for the period					
Profit for the year	-	-	-	931,763	931,763
At 31 December 2022	300,000	150,000	9,341,289	(51,832,740)	(42,041,451)
At 1 January 2023	**300,000**	**150,000**	**9,341,289**	**(51,832,740)**	**(42,041,451)**
Total comprehensive income for the period					
(Loss) for the year	-	-	-	(630,388)	(630,388)
At 31 December 2023	**300,000**	**150,000**	**9,341,289**	**(52,463,128)**	**(42,671,839)**

The notes on pages 9 to 35 are an integral part of these separate financial statements.

1 Reporting entity

Desert Adventures Tourism LLC is a limited liability Company (the "Company") registered with the Department of Tourism and Commerce Marketing, Government of Dubai.

The authorised and fully paid-up share capital of the Company is AED 300,000 divided into 100 shares of AED 3,000 / share.

The shareholding pattern of the Company as at 31st December 2023 and 31st December 2022 is as follows:

Name of the shareholder	**Shareholding %**
Travel Circle International (Mauritius) Limited ("the Holding Company")	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

The principal business activity of the Company is providing travel and tourism related services. The Company secures access to hotel accommodation and other travel and tourism related activities and sells it to customer who generally are tour operators, travel agents and other wholesalers.

The registered office of the Company is P.O. Box No. 25488, Dubai, United Arab Emirates.

The Company has not purchased any shares during the year.

2 Basis of accounting

a) Consolidated results

These financial statements reflect the operating results and the financial position of the Company only, and do not consolidate the operating results and financial position of the subsidiaries. These separate financial statements are prepared to present the net value of the Company based on cost less provision, if any. The subsidiaries are consolidated on a line-by-line basis in the consolidated financial statements of Desert Adventures Tourism L.L.C., which should be referred to for the consolidated financial position and results of operations for the Group.

b) Going concern

During the year ended 31 December 2023, the Company reported a net loss of AED (630,388) *(2022: profit AED* 931,763*)*, net current liabilities of AED 41,553,388 *(2022: AED* 40,842,609*)* and net liabilities of AED (42,671,839) (2022: AED 42,041,451). As at 31 December 2023, the accumulated losses of the Company, amounted to AED 52,463,128 (2022: AED 51,832,740), exceed more than 50% of the share capital. Article 308 of the UAE Federal Decree Law no. 32 of 2021 for commercial states that if the losses of a limited liability company reach half the share capital, the Management of the Company shall refer to the shareholders the issue of dissolution. These factors indicate that the Company ability to continue as a going concern is dependent upon the continued financial support of the Holding company. The Holding company have provided an undertaking that it will provide the necessary financial support to the Company to enable it to meet its obligation for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

2 Basis of accounting (continued)

c) Statement of compliance

The separate financial statements have been prepared on a going concern basis an in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB) and the applicable provision of UAE Federal Decree Law no. 32 of 2021.

d) Basis of measurement

The separate financial statements have been prepared on the historical cost basis.

e) Functional and presentation currency

The separate financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Company's functional currency.

f) Use of estimates and judgments

The preparation of the separate financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognized in these separate financial statements are disclosed in note 24.

g) Change in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The amendment has no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change.

2 Basis of accounting (continued)

Changes in material accounting policies (continued)

Material accounting policy information

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of “material”, rather than “significant”, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

3 Summary of Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of “material”, rather than “significant”, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances (see Note 2 (g) for further information).

Revenue

The Company renders a wide range of tourism and related services.

Revenue includes hotel accommodation, transfers, visa services and other tourism and travel related services. The revenue from rendering these services is recognized in profit or loss at the fair value of the consideration received or receivable.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

3 Summary of Material Accounting Policies (continued)

Revenue (continued)

Type of product/service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition**
- **Tourism & related services** including: - Hotel accommodation - Visas - Transfers - Meet and greet and; - Excursions	Control of travel related services is considered transferred to customer at the travel in date i.e. in case of: - Visas at the date of issuance; - Hotel accommodation on the date hotel check in; - Transfers on the date of arrival; - Meet and greet on the date of arrival; and - Excursions on the date excursions Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.
Tour Packages	The services above are also sold as a combined tour package to travelers. In case of a combined tour package, entire package is generally considered as a single performance obligation. The combination of separate services in a combined tour package is considered significant integration and revenue for the entire tour package is recognized at the time of travel in date. Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.

Financial instruments

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Summary of Material Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3 Summary of Material Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting

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

Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to AED at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into AED using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent cost

The cost of replacing an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognized in the profit or loss as incurred.

3 Summary of Material Accounting Policies (continued)

Property and equipment (continued)

Depreciation

Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation on additions is calculated on a pro-rata basis from the day of addition and on disposal up to and including the month of disposal of the asset. The estimated useful lives are as follows:

	Years
Motor vehicles	4
Furniture, fixtures and equipment	2 - 5
Leasehold improvements	10
Leased office premises	3

The depreciation method and useful lives, as well as estimates of residual lives, are reassessed annually.

Intangible Assets

Intangible assets, including software, operating licenses and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses if any.

Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives for current and comparative are 5 years.

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

3 Summary of Material Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written

3 Summary of Material Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

Write-off (continued)

off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:
- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.
In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

3 Summary of Material Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

Non-financial assets (continued)

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Provisions

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

Provision for employees' end of service benefits

The provision is made for the amount of end of service benefits due to employees in accordance with the UAE Labour Law and its amendments and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The provision has been classified as a non-current liability.

Intercompany recharges

Intercompany expenses are recharged to related parties at arm's length price. Charges mainly includes Salaries and Other Admin expense including IT system cost as paid by / charged to the Company.

3 Summary of Material Accounting Policies (continued)

Contract assets

The contract assets are recognized for the Company's rights to consideration for services provided to the customer but not billed at the reporting date. The amount is netted with the expected credit losses, if any. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customers.

Leases

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

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

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

The Company has the right to direct the use of the asset. The Company 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 Company has the right to direct the use of the asset if either:

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

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

3 Summary of Material Accounting Policies (continued)

Leases (continued)

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a revised in-substance fixed lease payment.

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

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

UAE Corporate tax law

On December 9, 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375.000. A rate of 0% will apply to taxable income not exceeding AED 375,000.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the year ended 31 December 2023.

The Company has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.

The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

New standards or amendments and forthcoming requirements

A number of new accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

3 Summary of Material Accounting Policies (continued)

New standards or amendments and forthcoming requirements (continued)

A. Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024. The Company is in the process of assessing the potential impact of the amendments on the classification of this liability and the related disclosure.

B. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

The Company is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

a) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
b) Lack of Exchangeability (Amendments to IAS 21).

New currently effective requirements	**Effective date**
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies -Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates -Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction -Amendments to IAS 12	1 January 2023
International Tax Reform-Pillar Two Model Rules Amendments to IAS 12	23 May 2023

These standards and amendments do not have a significant impact on the Company's financial statements as at 31 December 2023.

3 Summary of Material Accounting Policies (continued)

New standards or amendments and forthcoming requirements (continued)

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Classification of liabilities as current or non-current (Amendments to IAS 1) *and Non-Current Liabilities with Covenants (Amendments to IAS 1)*	1 January 2024
Lease liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Supplier Finance Arrangements – Amendments of IAS 7 and IFRS 7	1 January 2024
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Sale or Contribution of assets between an investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	*Optional*

4 Revenue

Revenue from contract with customers is disaggregated by major products and service lines and timing of revenue recognition.

	2023	2022
	AED	AED
Tourism and related services	**295,513,671**	298,200,950
Tour packages	**45,734,447**	36,051,110
Hotel commissions	**4,475,801**	3,890,984
	345,723,919	338,143,044
Geographical markets		
United Arab Emirates	**345,723,919**	338,143,044
Timing of revenue recognition		
Revenue recognized at a point in time	**345,723,919**	338,143,044
Contract balances		
Receivables, which are included in "trade receivables and other receivables" (Note 12) - net	**17,955,326**	12,115,275

5 Cost of sales

	2023	2022
	AED	AED
Tourism and related services	**275,674,622**	280,738,362
Tour Packages	**42,305,297**	32,744,945
	317,979,919	313,483,307

6 Administrative and general expenses

	2023	2022
	AED	AED
Staff salaries and related benefits	**19,881,971**	17,028,324
Advertisement and business promotion	**1,526,492**	1,423,095
IT expenses	**1,259,745**	1,416,912
Travel expense	**632,738**	543,664
Depreciation (refer note 9.1)	**629,110**	525,378
Office expense	**380,289**	392,743
Amortisation (refer note 10)	**206,949**	162,621
Rent expense	**126,437**	126,122
Other expenses	**2,029,754**	1,888,194
	26,673,485	23,507,053

7 Net finance cost

	2023	2022
	AED	AED
Finance income		
Net foreign exchange gain	**874,169**	867,990
Interest income	**-**	560
Total finance income	**874,169**	868,550
Finance cost		
Interest on bank borrowings	**(1,737,795)**	(982,364)
Interest on loan from Holding Group (note 13)	**(645,464)**	(922,387)
Bank charges	**(180,299)**	(240,680)
Other charges for corporate guarantee	**(630,953)**	(91,541)
Interest on lease liabilities (note 20)	**(75,596)**	(3,617)
Total finance cost	**(3,270,107)**	(2,240,589)
Net finance costs	**(2,395,838)**	(1,372,039)

8 Other income – net

	2023	2022
	AED	AED
Expenses recharged by associated companies	**(361,589)**	(244,958)
Commission Income	**1,097,317**	1,646,076
Gain on sale of fixed assets	**40,307**	-
	776,035	1,401,118

9 Property and equipment

	Motor vehicles AED	Furniture, fixtures and equipment AED	Leasehold improvements AED	Leased office premises AED	Total AED
Cost					
Balance at 1 January 2022	2,477,250	559,175	1,154,709	894,636	5,085,770
Additions	-	56,270	37,200	-	93,470
Disposals	-	-	-	(894,636)	(894,636)
Balance at 31 December 2022	**2,477,250**	**615,445**	**1,191,909**	**-**	**4,284,604**
Balance at 1 January 2023	**2,477,250**	**615,445**	**1,191,909**	**-**	**4,284,604**
Additions	376,000	124,009	-	1,413,897	1,913,906
Disposals	(375,000)	(1,000)	-	-	(376,000)
Balance at 31 December 2023	**2,478,250**	**738,454**	**1,191,909**	**1,413,897**	**5,822,510**
Depreciation					
Balance at 1 January 2022	2,382,299	485,757	1,140,061	465,212	4,473,329
Charge for the year	44,510	39,534	11,914	429,420	525,378
Disposals	-	-	-	(894,632)	(894,632)
Balance at 31 December 2022	**2,426,809**	**525,291**	**1,151,975**	**-**	**4,104,075**
Balance at 1 January 2023	**2,426,809**	**525,291**	**1,151,975**	**-**	**4,104,075**
Charge for the year	87,404	63,885	6,521	471,300	629,110
Disposals	(375,000)	(225)	-	-	(375,225)
Balance at 31 December 2023	**2,139,213**	**588,951**	**1,158,496**	**471,300**	**4,357,960**
Net book value					
At 31 December 2023	**339,037**	**149,503**	**33,413**	**942,597**	**1,464,550**
At 31 December 2022	50,441	90,154	39,934	-	180,529

9.1 Allocation of depreciation expense

	2023 AED	2022 AED
Depreciation expense related to administration (refer note 6)	629,110	525,378

10 Intangible asset – Software

	2023 AED	2022 AED
Cost		
As at 1 January	**2,080,968**	2,080,968
Additions	**380,031**	-
As at 31 December	**2,460,999**	2,080,968
Amortisation		
As at 1 January	**1,826,147**	1,663,526
Charge for the period	**206,949**	162,621
As at 31 December	**2,033,096**	1,826,147
Net book value as at 31 December	**427,903**	254,821

11 Investment in subsidiaries

The investment in subsidiaries are registered in the name of the shareholders of the Company and represents the amount contributed directly by the shareholders in the capital of Muscat Desert Adventures Tourism LLC ("Muscat DAT) and Jordan Desert Adventures Tourism LLC ("Jordan DAT").

	Muscat DAT AED	Jordan DAT AED	Total AED
Cost	1,435,575	522,900	1,958,475
Provision for impairment	-	(522,900)	(522,900)
At 31 December 2023	**1,435,575**	**-**	**1,435,575**
At 31 December 2022	1,435,575	-	1,435,575

Management carried out an impairment test of the carrying value of the subsidiaries as at 31 December 2023, based on these impairment test management, no impairment was made as the net assets of subsidiary was in excess of its carrying amount as at 31 December 2023.

12 Trade and other receivables

	2023 AED	2022 AED
Trade receivables	**21,445,117**	15,524,066
Provision for impairment loss on trade receivables (refer note 12.1)	**(3,489,791)**	(3,408,791)
	17,955,326	12,115,275
Other receivables and prepayments		
Advances to suppliers	**9,542,172**	10,461,338
Prepayments	**1,235,535**	601,570
Other receivables		
- Deposits	**5,600,425**	5,600,425
- Commission receivables	**4,952,095**	5,008,656
- Other receivables	**945,930**	1,513,705
	40,231,483	35,300,969

Above, deposit balance includes guarantee deposit of AED 370,000 which is in name of Reem Tours and Travel LLC, but it is held and used for the beneficial interest of the Company.

12.1 Provision for impairment loss on trade receivables

The movement in the provision for doubtful debts during the year is as follows:

	2023 AED	2022 AED
As at 1 January	**3,408,791**	3,158,791
Provision made during the year	**81,000**	250,000
As at 31 December	**3,489,791**	3,408,791

13 Related parties

Related parties, within the definition of a related party contained in International Accounting Standard 24, represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Such transactions are on terms and conditions mutually agreed. Significant transactions entered with related parties during the year were:

	Relationship	2023 AED	2022 AED
Sales to related parties	Fellow subsidiaries	**37,525,343**	26,288,808
Loan acquired from Holding Company	Holding Company	**10,095,250**	16,519,500
Expenses recharged by fellow subsidiaries (note 8)	Fellow subsidiaries	**(361,589)**	(244,958)
Repayment of loan and interest loan from Holding Company	Holding Company	**(24,040,117)**	(18,212,889)

The key management personnel compensation is as follows:

	2023 AED	2022 AED
Short-term employee benefits	**4,003,720**	2,821,326
Staff terminal benefits	**265,842**	154,142
	4,269,562	2,975,468

Due from related parties

	Relationship	2023 AED	2022 AED
Gulf Dunes LLC	Sister Concern	**823,903**	3,525,250
Thomas Cook (India) Limited	Intermediate parent	**682,801**	921,370
SOTC Travel Limited	Intermediate parent	**390,402**	449,299
Muscat Desert Adventures Tourism LLC	Fellow Subsidiary	**-**	2,040,622
TC Visa Services (India) Ltd	Sister Concern	**-**	290,555
Desert Adventures Tourism – Jordan	Fellow Subsidiary	**-**	70,016
Kuoni Private Safaris Limited	Sister Concern	**-**	2,803
Horizon Travel Services LLC	Sister Concern	**-**	945
		1,897,106	7,300,860

13 Related parties (continued)

Due to related parties

	Relationship	2023 AED	2022 AED
Muscat Desert Adventures Tourism LLC	Fellow Subsidiary	**872,215**	-
Desert Adventures Tourism – Jordan	Fellow Subsidiary	**37,885**	-
Reem Tours LLC	Sister Concern	**608,868**	608,868
Digiphoto Entertainment Imaging	Sister Concern	**625,686**	
Horizon Travel Services	Sister Concern	**12,908**	-
Jardin Travel Solutions Limited	Sister Concern	**2,805**	2,805
Travel Corporation (India) Limited	Sister Concern	**568**	5,969
TC Travel Services Limited	Sister Concern	**-**	20,900
Australian Tours Management Pty Ltd	Sister Concern	**-**	2,635
		2,160,935	641,177

Loan from holding Company

The Company obtained a short-term facility to finance working capital requirements from Travel Circle International (Mauritius) Limited ("Holding Group"). This facility is unsecured and carries interest at the rate from 6.98% to 8.90%. The movement in the balance during the year ended 31 December 2023 is as follows:

	2023 AED	2022 AED
Opening balance	**13,299,403**	14,070,405
Proceeds from loan	**10,095,250**	16,132,583
Interest accrued during the year	**645,464**	922,387
Repayment of principal and interest	**(24,040,117)**	(17,825,972)
Closing balance	**-**	13,299,403

14 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	**183,708**	268,750
Cash at bank	**5,699,925**	16,496,865
	5,883,633	16,765,615

Above, cash at bank include current account balance of AED 95,511 which is in name of Reem Tours and Travel LLC, but it is held and used for the beneficial interest of the Company.

14.1 Bank borrowings

Overdraft Facility:
The Company has an overdraft facility of USD 5,000,000 (AED 18,355,000) issued by Standard Chartered Bank. This facility is secured over the assets of the Company. Overdraft facility carries interest at the rate of 5.15% per annum over 1 month LIBOR. The principal is payable on demand and interest is payable on monthly basis. The Company has availed overdraft facility during the year and outstanding amount as at 31 December 2023 is AED 17,749,200 (2022: AED 6,099,669). The Company also has commercial card facility of AED 12,855,400 issued by Citi bank.

14.1 Bank borrowings (continued)

Auto Loan:

During the year, Company has borrowed an Auto Loan from Abu Dhabi Commercial Bank. The outstanding amount as at 31 December 2023 is AED 289,234 of which AED 56,596 is the current portion and remaining balance of AED 232,638 is non-current portion.

15 Share capital

	2023 AED	2022 AED
Authorised, issued and fully paid up capital		
100 shares of AED 3,000 each	**300,000**	300,000
	======	======

16 Shareholder contribution

	2023 AED	2022 AED
Shareholder contribution	**9,341,289**	9,341,289
	=======	=======

17 Statutory reserves

In accordance with UAE Federal Decree Law No. 32 of 2021, a minimum of 10% of the net profits of the Company is required to be allocated to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory reserve equals half of the paid-up share capital of the Company. During the year no transfers were made to this reserve as the amount of the reserve has reached to the threshold *(2022: AED Nil)*.

18 Employees' end of service benefits

	2023 AED	2022 AED
As at 1 January	**3,069,767**	2,795,796
Provision during the year	**857,203**	467,566
Payments made during the year	**(238,837)**	(193,595)
	------------	------------
As at 31 December	**3,688,133**	3,069,767
	=======	=======

19 Trade and other payables

	2023 AED	2022 AED
Trade payables	**18,812,731**	13,089,569
Advances from customers	**15,819,294**	16,350,982
Accruals and other payables		
- Employees accruals	**1,750,093**	2,083,609
- Hotel and other service accruals	**31,438,186**	36,739,626
- Other payables	**1,597,761**	1,906,018
	--------------	--------------
	69,418,065	70,169,804
	========	========

20 Lease liabilities

	2023 AED	2022 AED
Current	**470,048**	445,771
Non-current	**525,708**	-
Balance at 31 December	**995,756**	445,771

Set out below, are the carrying amounts of the Company's lease liabilities and the movements during the year:

	2023 AED	2022 AED
As at 1 January	**-**	445,771
Additions	**1,413,897**	-
Interest expense on lease liability (note 7)	**75,596**	3,617
Repayment of lease liability during the year	**(493,737)**	(449,388)
As at 31 December	**995,756**	**-**

Amount recognized in the profit or loss

	2023 AED	2022 AED
Interest on lease liability	**75,596**	3,617
Depreciation on right-of-use asset (refer note 9)	**471,300**	429,420
Expenses relating to low value assets, excluding short-term leases (refer note 6)	**100,908**	126,122
Balance at 31 December	**647,804**	559,159

Amounts recognized in the Statement of cash flows

	2023 AED	2022 AED
Repayment of lease liability	**(493,737)**	(449,388)

21 Contingencies and commitments

Contingent liabilities
The Company has AED 716,238 *(2022: AED* 716,238*)* of bank guarantees as at 31 December 2023, these were issued during the normal course of business.

Capital commitments
There are no capital commitments of the Company as at 31 December 2023 (31 December 2022: AED Nil).

22 Financial risk management

The Company has exposure to the following risks arising from financial instruments

- Credit risk;
- Liquidity risk; and
- Market risk.

22 Financial risk management (continued)

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policy. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables (excluding prepayments and advances) and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023	2022
	AED	AED
Trade receivables	**17,955,326**	12,115,275
Other receivables*	**11,498,450**	12,122,786
Due from related parties	**1,897,106**	7,300,860
Cash at bank	**5,699,925**	16,496,865
	37,050,807	48,035,786

* Prepayments and advances are excluded.

At 31 December, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Carrying amount 2023 AED	Carrying amount 2022 AED
Geographical regions		
Commonwealth of Independent States	**9,537,151**	2,363,335
Europe	**5,041,020**	6,628,015
Middle East	**3,777,656**	2,266,332
Asia	**539,573**	1,768,169
Others	**2,549,717**	2,498,215
Grand total	**21,445,117**	15,524,066

22 Financial risk management *(continued)*

Credit risk *(continued)*

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2023 AED	**Credit impaired 2023 AED**	Not credit-impaired 2022 AED	Credit impaired 2022 AED
Not yet due	**12,150,130**	**-**	10,002,543	-
1-30 days	**4,905,409**	**-**	2,112,732	369,481
31- 90 days	**899,787**	**1,018,813**	-	455,143
91- 120 days and above	**-**	**2,470,978**	-	2,584,167
Total gross carrying amount	**17,955,326**	**3,489,791**	12,115,275	3,408,791
Loss allowance		**(3,489,791)**	-	(3,408,791)
	17,955,326	**-**	12,115,275	-

Impairment losses

Expected credit losses assessment for individual customers as at 31 December 2023 and 31 December 2022.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise large number of trade balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region and industry.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2023.

	Gross carrying amount AED	**Loss allowance AED**	**Credit impaired**
Not yet due	**12,150,130**	**-**	**No**
1-30 days	**4,905,409**	**-**	**No**
31- 90 days	**1,918,600**	**1,018,813**	**Yes**
91- 120 days and above	**2,470,978**	**2,470,978**	**Yes**
Total	**21,445,117**	**3,489,791**	

22 Financial risk management (continued)

Credit risk (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2022.

	Gross carrying amount AED	Loss allowance AED	Credit impaired
Not yet due	10,002,543	-	No
1-30 days	2,482,213	369,481	Yes
31- 90 days	455,143	455,143	Yes
91- 120 days and above	2,584,167	2,584,167	Yes
	-------------	-------------	
Total	15,524,066	3,408,791	
	========	========	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Exposure is segmented by geographical region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP.

Cash at Banks

The Company held cash at banks of AED 5,699,925 at 31 December 2023 (2022: AED 16,496,865). The cash at banks are held with banks, which are rated A1 to A3, based on Mood's ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Other receivables

The company's exposure to credit risk on other receivable from third parties influence mainly by the individual characteristics of each party. Other receivable as at 31 December 2023 include deposits and other receivable of AED 11,498,450 (2022: AED 12,122,786) for which management believes that there is no significant credit risk associated at reporting date.

Due from related parties

For receivables from related parties, the Company as determined Probability of Debt (PD) that is applicable for outstanding related party receivables PD has been determined in accordance with Moody's PD rating scale by considering external credit ratings and adjusting the PDs so determined for macroeconomic factors. The Company has also considered a standard Loss Given Default (LGD) percentage of 45% for all unsecured outstanding exposures in accordance with foundation approach of Basel guidelines in the absence of the Group's historical experience. The Company does not require collateral in respect of its amount due from a related party. The Company does not have amounts for which no loss allowance is recognized because of collateral. At the reporting date there was no significant concentrations of credit risk.

22 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows.

The following are the contractual maturities of financial liabilities based on contractual payments:

2023	**Carrying Amount AED**	**Contractual cash out flows AED**	**1 year or less AED**	**More than 1 year AED**
Non derivative financial liabilities				
Trade and other payables*	**53,598,771**	**(53,598,771)**	**(53,598,771)**	**-**
Due to related parties	**2,160,935**	**(2,160,935)**	**(2,160,935)**	**-**
Bank borrowing	**17,749,200**	**(17,749,200)**	**(17,749,200)**	**-**
Lease liability	**995,757**	**(995,757)**	**(470,049)**	**(525,708)**
	74,504,663	**(74,504,663)**	**(73,978,955)**	**(525,708)**

2022	Carrying Amount AED	Contractual cash out flows AED	1 year or less AED	More than 1 year AED
Non derivative financial liabilities				
Trade and other payables*	53,818,822	(53,818,822)	(53,818,822)	-
Due to related parties	641,177	(641,177)	(641,177)	-
Loan from holding Company	13,299,403	(13,299,403)	(13,299,403)	-
Bank borrowing	16,099,669	(16,099,669)	(16,099,669)	
	83,859,071	(83,859,071)	(83,859,071)	-

** excluding advances from customers*

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company'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.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to AED, the Company does not hedge the currency risk in respect of its foreign currency exposure.

22 Financial risk management (continued)

Interest rate risk

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instrument is as follows:

Variable instruments	**2023 AED**	2022 AED
Financial liabilities (loan from holding company)	**-**	13,299,403
Financial liabilities (bank borrowings)	**17,749,200**	16,099,669
	17,749,200	29,399,072

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by AED 177,492 *(2022: AED* 293,991*)*. This analysis assumes that all other variables remain constant.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to shareholders. The Company is not subject to externally imposed capital requirements.

23 Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts.

Fair value hierarchy

As at 31 December 2023 and 31 December 2022, there are no financial instruments carried at fair value by valuation method.

24 Use of judgments and estimates

In the process of applying the entity's accounting policies, which are described in the notes, management has made certain judgment and estimates as mentioned below.

Assumptions and estimation uncertainties

The key assumption concerning the future, and other key sources of estimating uncertainty at the reporting date, 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.

(a) Impairment losses on receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 22.

24 Use of judgments and estimates (continued)

Assumptions and estimation uncertainties (continued)

(a) Impairment losses on receivables (continued)

Elements of the ECL models that are considered accounting judgments and estimates include:
- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their 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 (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary. Detailed information about the judgments and estimates made by the Company in the above areas is set out in note 22.

25 Comparatives

Previous year reported figures have been regrouped/reclassified, wherever necessary, to conform to the current year's presentation. The reclassification of items is not considered material and does not impact the financial statement as at the beginning of the earliest comparative period. Thus, a third statement of financial position at the beginning of the earliest comparative period has not been presented.

26 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization of the financial statements, which would have a material effect on the financial statements.

Gulf Dunes LLC

Financial statements

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Gulf Dunes LLC

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Directors' Report

The directors submit their report together with the audited financial statements of **Gulf Dunes LLC** for the year ended 31st December 2023.

LEGAL STATUS

Gulf Dunes LLC is a limited liability company (the "Company") registered with the Department of Tourism and Commerce Marketing, Government of Dubai and Department of Economic Development.

The principal activity of the Company organizing and managing Meetings, Incentives, Conferences, and Events (MICE). The Company started its operations in May 1995.

The registered office of the Gulf Dunes LLC, Dubai is P.O. Box no. 124174, Dubai, United Arab Emirates.

SHARE HOLDINGS

The shareholding pattern of the Company as at 31st December 2023 and 31st December 2022 is as follows:

Name of the shareholder	**Shareholding %**
Travel Circle International (Mauritius) Limited	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2023 and 31st December 2022 are stated below:

Financial highlights	**2023** **AED**	2022 AED
Net (loss)/profit	**(828,664)**	59,269
Total equity	**(5,912,629)**	(5,083,965)

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

The financial statements as at and for the year ended 31 December 2023 have been audited by KPMG Lower Gulf Limited. A resolution dealing with the reappointment of the auditors shall be proposed at the forthcoming board meeting.

On behalf of the Board

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

Date: 30 August 2024

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Independent auditors' report

To the Shareholder of Gulf Dunes LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gulf Dunes LLC ("the Company"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report which is set out on page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 December 2023:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 31 December 2023;

vi) note 12 to the financial statements discloses material related party transactions, and the terms under which they were conducted; and

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2023.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates

Date: 03 SEP 2024

Gulf Dunes LLC

Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Notes	**2023**	2022
		AED	AED
Revenue	*6*	**13,266,227**	17,249,627
Direct costs	*7*	**(10,110,196)**	(13,880,434)
Gross profit		**3,156,031**	3,369,193
Administrative and general expenses	*8.1*	**(4,073,544)**	(3,385,661)
Other income	*8.2*	**22,468**	-
Finance income	*9*	**66,381**	75,737
(Loss)/Profit for the year		**(828,664)**	59,269
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(828,664)**	59,269

The notes on pages 10 to 31 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 5.

Gulf Dunes LLC

Statement of financial position

As at 31 December 2023

	Notes	**2023**	2022
		AED	AED
Assets			
Property and equipment	*10*	**11,765**	9,774
Right-of-use asset	*18*	**149,002**	-
Non-current assets		**160,767**	9,774
Trade and other receivables	*11*	**2,655,949**	1,252,285
Cash and cash equivalents	*17*	**684,686**	516,249
Current assets		**3,340,635**	1,768,534
Total assets		**3,501,402**	1,778,308
Equity and Liabilities			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*16*	**150,000**	150,000
Accumulated losses		**(6,362,629)**	(5,533,965)
Total equity		**(5,912,629)**	(5,083,965)
Liabilities			
Lease Liability - Non current	*18*	**83,102**	-
Employees' end of service benefits	*14*	**229,180**	147,727
Non-current liabilities		**312,282**	147,727
Trade and other payables	*13*	**1,740,867**	1,469,875
Contract liability		**5,601,191**	383,785
Due to related parties	*12*	**1,685,388**	4,860,886
Lease liability – current	*18*	**74,303**	-
Current liabilities		**9,101,749**	6,714,546
Total liabilities		**9,414,031**	6,862,273
Total equity and liabilities		**3,501,402**	1,778,308

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2023. These financial statements were authorized for issue on behalf of the Company's shareholders on 30 August 2024.

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

The notes on pages 10 to 31 are an integral part of these financial statements.
The independent auditors' report is set out on pages 2 - 5.

Gulf Dunes LLC

Statement of cash flows
For the year ended 31 December

	Notes	**2023**	2022
		AED	AED
Cash flows from operating activities			
(Loss)/Profit for the year		**(828,664)**	59,269
Adjustments for:			
Depreciation and amortization	*18*	**5,982**	7,509
Depreciation on right-of-use assets	*8.1*	**74,501**	67,486
Allowance for expected credit loss	*8.1*	**67,798**	10,382
Provision for employees' end of service benefits	*14*	**93,200**	61,412
Interest expense on lease liability	*18*	**11,950**	210
		(575,233)	206,268
Changes in:			
- trade and other receivables		**(1,471,462)**	575,206
- due to related parties		**(3,175,498)**	41,054
- trade and other payables		**270,992**	344,818
- Contract liability		**5,217,406**	(741,060)
Payment of employees' end of service benefits	*14*	**(11,747)**	(107,450)
Net cash from / (used in) operating activities		**254,458**	318,836
Cash flows from investing activity			
Acquisition of property and equipment	*10*	**(7,973)**	(8,991)
Net cash (used in) / from investing activity		**(7,973)**	(8,991)
Cash flows from financing activity			
Interest paid during the year	*18*	**(11,950)**	-
Payment of lease liabilities	*18*	**(66,098)**	(39,026)
Cash used in financing activity		**(78,048)**	(38,816)
Net decrease in cash and cash equivalents		**168,437**	270,819
Cash and cash equivalents at the beginning of the year		**516,249**	245,430
Cash and cash equivalents at end of the year	*17*	**684,686**	516,249

The notes on pages 10 to 31 are an integral part of these financial statements.
The independent auditors' report is set out on pages 2 - 5.

Gulf Dunes LLC

Statement of changes in equity
For the year ended 31 December

	Share capital AED	Statutory reserve AED	Accumulated Losses AED	Total AED
At 1 January 2022	300,000	150,000	(5,593,234)	(5,143,234)
Total comprehensive income for the year				
Profit for the year	-	-	59,269	59,269
Balance at 31 December 2022	300,000	150,000	(5,533,965)	(5,083,965)
Balance at 1 January 2023	300,000	150,000	(5,533,965)	(5,083,965)
Total comprehensive income for the year				
(Loss) for the year	-	-	(828,664)	(828,664)
Balance at 31 December 2023	**300,000**	**150,000**	**(6,362,629)**	**(5,912,629)**

The notes on pages 10 to 31 are an integral part of these financial statements.

1 Reporting entity

Gulf Dunes LLC, Dubai is a limited liability Company (‘‘the Company’’) registered with the Department of Economy and Tourism, Government of Dubai under commercial license number 237864. The principle business activity of the Company is organizing and managing incentive trips, conferences and meetings for groups.

The shareholding pattern of the Company as at 31st December 2023 and 31st December 2022 is as follows:

Name of the shareholder	Shareholding %
Travel Circle International (Mauritius) Limited (“the Holding Company”)	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

The registered office of the Gulf Dunes LLC, Dubai is P.O. Box no. 124174, Dubai, United Arab Emirates.

The Company did not purchase any shares during the year.

2 Basis of preparation

a) Going concern

During the year ended 31 December 2023, the Company has incurred a net loss of AED 828,664 (2022: Profit of AED 59,269), has net current liabilities of AED 5,761,114 (2022: AED 4,946,012) and net liabilities of AED 5,912,629 (2022: AED 5,083,965). As at 31 December 2023, the accumulated losses of the Company, amounted to AED 6,362,629 (2022: AED 5,533,965), exceed more than 50% of the share capital. Article 308 of the UAE Federal Decree Law no. 32 of 2021 for commercial states that if the losses of a limited liability company reach half the share capital, the Management of the Company shall refer to the shareholders the issue of dissolution. These factors indicate that the Company ability to continue as a going concern is dependent upon the continued financial support of the Holding company. The Holding company have provided an undertaking that it will provide the necessary financial support to the Company to enable it to meet its obligation for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by International Accounting Standard Board (IASB) and the applicable provision of UAE Federal Decree Law no. 32 of 2021.

c) Basis of measurement

These financial statements have been prepared under the historical cost basis.

d) Functional and presentation currency

These financial statements are presented in UAE Dirham (“AED”), which is the Company’s functional currency.

2 Basis of preparation (continued)

e) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognised in these financial statements are described in note 22.

f) Changes in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The amendment has no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change.

Material accounting policy information

The Company also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of “material”, rather than “significant”, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise. In addition, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of “material”, rather than “significant”, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances (see Note 2 (f) for further information).

3 Material accounting policies (continued)

Revenue from contract with customers

The Company renders a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups. Revenue from rendering these services is recognised in the profit or loss when it transfers control over a service to a customer. This is generally the case on the date of arrival.

Any expected discounts to the customers are estimated and are netted off against transaction price as per the requirements of the accounting standard.

Financial instruments

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting

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

3 Material accounting policies (continued)

Foreign currency transactions

Transactions in foreign currencies are translated to AED and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to AED at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into AED using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (if any).
If significant part of an item of property and equipment have different useful lives, then they are accounted for as items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value and is recognised in profit or loss. Depreciation on additions is calculated on a pro-rata basis from the day of addition and on disposal up to and including the month of disposal of the asset. The estimated useful lives of property and equipment for current and comparative period are as follows:

	Years
Motor vehicles	4
Furniture, fixtures and office equipment	2 to 5
Leasehold improvements	10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

3 Material accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3 Material accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

Presentation of allowance for ECL in the statement of financial position (continued)

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:
- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

3 Material accounting policies (continued)

Impairment (continued)

Non-financial assets (continued)

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for employees' end of service benefits

The provision is made for the amount of end of service benefits due to employees in accordance with the UAE Labour Law and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The provision has been classified as a non-current liability.

Share capital

Ordinary shares are classified as equity. Balances which represent a residual interest in the net assets of the Company are presented within equity.

3 Material accounting policies (continued)

Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.

The Company has the right to direct the use of the asset. The Company 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 Company has the right to direct the use of the asset if either:

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

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3 Material accounting policies (continued)

Leases (continued)

As a lessee (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Contract liability

A contract liability is an entity's obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer.

4 New standards or amendments and forthcoming requirements

A number of new accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

A. Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)

The amendments, as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024. The Company is in the process of assessing the potential impact of the amendments on the classification of this liability and the related disclosure.

B. Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after 1 January 2024.

The Company is in the process of assessing the impact of the amendments, particularly with respect to the collation of additional information needed to meet the new disclosure requirements.

C. Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

a) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
b) Lack of Exchangeability (Amendments to IAS 21).

4 New standards or amendments and forthcoming requirements (continued)

New currently effective requirements	**Effective date**
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies -Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates -Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction -Amendments to IAS 12	1 January 2023
International Tax Reform-Pillar Two Model Rules Amendments to IAS 12	23 May 2023

These standards and amendments do not have a significant impact on the Company's financial statements as at 31 December 2023.

New standards or amendments issued but not yet effective

At the date of these financial statements, the following standards, amendments and interpretations have not been effective and have not been early adopted:

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Classification of Liabilities as Current or Non-current - Amendments to IAS 1 and Non-Current Liabilities with Covenants (Amendments to IAS 1)	*1 January 2024*
Lease liability in a Sale and Leaseback – Amendments to IFRS 16	*1 January 2024*
Supplier Finance Arrangements – Amendments of IAS 7 and IFRS 7	*1 January 2024*
Lack of Exchangeability – Amendments to IAS 21	*1 January 2025*
Sale or Contribution of assets between an investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	*Optional*

5 Financial risk management

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

- Credit risk;
- Liquidity risk;
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 20 of these financial statements.

5 Financial risk management *(Continued)*

Risk management framework

Management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash at bank and trade and other receivables (excluding prepayments and advances to suppliers). The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures in respect of losses that have been incurred but not yet identified. The Company's cash is placed with bank of good repute.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables (excluding advances from customers), and due to related parties. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains adequate reserves, by continuous monitoring, forecast and actual cash flows.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and fluctuations in fair value will affect the Company'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.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to AED, the Company does not hedge the currency risk in respect of its foreign currency exposure.

5 Financial risk management *(Continued)*

Market risk (continued)

Interest rate risk

Interest rate risk is the risk of loss from fluctuations of future cash flows because of a change in market interest rates.

Other market price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirements.

6 Revenue

The Company's revenue is generated by providing a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services).

7 Direct Costs

Direct costs comprise hotel bookings, transport and visa services, excursion and travel related services.

8.1 Administrative and general expenses

	2023	2022
	AED	AED
Staff salaries and benefits	**2,939,684**	2,230,657
Overseas representative office charges	**400,760**	460,875
Business promotion expenses	**302,406**	239,949
Legal and professional charges	**114,369**	121,608
Depreciation on right-of-use assets	**74,501**	67,486
Sponsorship fees	**-**	59,001
Bank charges	**28,338**	28,087
Communication expense	**28,809**	24,581
Allowance for expected credit loss	**67,798**	10,382
Rent expense	**10,840**	9,374
Depreciation	**5,982**	7,509
Other expenses	**100,057**	126,152
	4,073,544	3,385,661

8.2 Other income

	2023 AED	2022 AED
Other Income	**22,468**	-
	22,468	-

9 Finance income

	2023 AED	2022 AED
Foreign exchange gain	**78,331**	75,947
Interest expense on lease liability	**(11,950)**	(210)
	66,381	75,737

10 Property and equipment

	Motor vehicles AED	**Furniture, fixtures and office equipment AED**	**Leasehold improvements AED**	**Total AED**
Cost				
Balance at 1 January 2022	-	250,739	25,000	275,739
Disposal during the year	-	8,991	-	8,991
Balance as at 31 December 2022	**-**	**259,730**	**25,000**	**284,730**
Balance as at 1 January 2023	-	259,730	25,000	284,730
Addition during the year		7,973	-	7,973
Balance as at 31 December 2023	**-**	**267,703**	**25000**	**292,703**
Depreciation				
Balance at 1 January 2022	-	242,447	25,000	267,447
Charge for the year	-	7,509	-	7,509
Balance as at 31 December 2022	**-**	**249,956**	**25,000**	**274,956**
Balance as at 1 January 2023	-	249,956	25,000	274,956
Charge for the year		5,982	-	5,982
Balance as at 31 December 2023	-	255,938	25,000	280,938
Net book value				
At 31 December 2023	**-**	**11,765**	**-**	**11,765**
At 31 December 2022	-	9,774	-	9,774

11 Trade and other receivables

	2023 AED	2022 AED
Trade receivables	**1,497,560**	773,362
Provision for impairment loss on trade receivables	**(91,372)**	(23,574)
	1,406,188	749,788
Prepayments	**88,323**	92,460
Deposits and other receivables	**240,986**	294,033
Advances to suppliers & others	**920,452**	116,004
	2,655,949	1,252,285

12 Related parties

The Company in normal course of business, enter into transactions with other business entities which fall within the definition of related party contained in International Accounting Standard 24. Such transactions are on terms and conditions mutually agreed between them. There were no transactions with the related parties during the year and in the previous year except the receipt and payment of the funds. Significant related party transactions during the year ended 31 December 2023 were as follows:

Below is the detail of Key management personnel compensation:

	2023 AED	2022 AED
Key management personnel compensation		
Short term employee benefits	**591,215**	622,458
Post-employment benefits	**34,824**	26,359

Due to related parties

	Relationship	2023 AED	2022 AED
Gulf Dunes Tourism LLC – Om	Sister Concern	**861,482**	1,335,635
Desert Adventures Tourism LLC	Fellow Subsidiary	**823,906**	3,525,251
		1,685,388	4,860,886

13 Trade and other payables

	2023 AED	2022 AED
Trade payables	**775,484**	842,007
Accruals and other payables	**965,383**	627,868
	1,740,867	1,469,875

14 Employees' end of service benefits

	2023 AED	2022 AED
Balance at 01 January	**147,727**	193,765
Provision during the year	**93,200**	61,412
Payments made during the year	**(11,747)**	(107,450)
Balance at 31 December	**229,180**	147,727

15 Share capital

	2023 AED	2022 AED
Authorised, issued and fully paid-up capital		
100 shares of AED 3,000 each	**300,000**	300,000

16 Statutory reserves

In accordance with UAE Federal Law No. 32 of 2021, a minimum of 5% of the net profits of the Company is required to be allocated to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory reserve equals half of the paid-up share capital of the Company. During the year no transfers were made to this reserve as the amount of the reserve has reached to the threshold (2022: AED Nil).

17 Cash and cash equivalents

	2023 AED	2022 AED
Cash in hand	**3,900**	20,026
Cash at bank	**680,786**	496,223
	684,686	516,249

18 Leases

(a) The statement of financial position shows the following amounts relating to leases:

	2023 AED	2022 AED
Right of use asset		
Office premises	**149,002**	-
Lease liability		
Current	**74,303**	-
Non-current	**83,102**	-
	157,405	-

18 Leases (continued)

(b) The movement of right-of-use asset and lease liability during the period is given below:

	2023 AED	2022 AED
Right of use asset		
At 01 January	**-**	67,486
Addition during the period	**223,503**	-
Depreciation for the period	**(74,501)**	(67,486)
At 31 December	**149,002**	-
Lease liability		
At 01 January	**-**	38,816
Addition during the period	**223,503**	-
Interest expense charged to finance costs	**11,950**	210
Repayment of lease liability	**(78,048)**	(39,026)
At 31 December	**157,405**	-

(c) Amounts recognised in the statement of profit or loss:

	2023 AED	2022 AED
Depreciation on Right-of-use asset	**74,501**	67,486
Finance cost	**11,950**	210
	120,192	67,696

(d) Amounts recognised in the statement of cash flows:

	2023 AED	2022 AED
Principal payment	**66,098**	38,816
Add: Finance cost paid	**11,950**	210
Total lease payments	**78,048**	39,026

(e) Maturity analysis of lease liabilities, showing un-discounted lease payments to be paid after the reporting date and related unwinding of finance cost is given below:

	As at 31 December 2023		
	Future minimum lease payments AED	**Unwinding of finance cost AED**	**Present value of minimum lease payments AED**
Less than one year	81,300	6,997	74,303
Between one to two years	84,552	1,450	83,102
	165,852	**8,447**	**157,405**

19 Contingencies and commitments

There are no capital commitments and contingent liabilities of the Company as at 31 December 2023 (31 December 2022: AED Nil).

20 Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

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

	2023	2022
	AED	AED
Trade and other receivables (excluding prepayments and advances to suppliers)	**1,647,174**	1,043,821
Cash at bank	**680,786**	496,223
	2,327,960	1,540,044

The aging of trade receivables at the reporting date was:

	31 December 2023		31 December 2022	
	Gross	**Provision**	Gross	Provision
	AED	**AED**	AED	AED
Not due	**1,406,188**	-	749,788	-
0-30 days past due	-	-	-	-
31-90 days past due	-	-	-	-
Over 90 days past due	**91,372**	**91,372**	23,574	23,574
	1,497,560	**91,372**	773,362	23,574

20 Financial instruments *(continued)*

Credit risk (continued)

The movement in the impairment loss for trade receivables is as follows:

	2023 AED	2022 AED
At 1 January	**23,574**	13,192
Impairment loss recognized during the year	**67,798**	10,382
	--------	--------
At 31 December	**91,372**	23,574
	=====	=====

At 31 December 2023, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Carrying amount 2023 AED	Carrying amount 2022 AED
Geographical regions		
Europe	**18,759**	27,059
Commonwealth of Independent States	**110,264**	412,969
Middle east and others	**1,368,537**	333,334
	----------	----------
Grand total	**1,497,560**	773,362
	======	======

Cash at Banks

The Company held cash at banks of AED 680,786 at 31 December 2023 (2022: AED 496,223). The cash at banks are held with banks, which are rated A1 to A3, based on Mood's ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Other receivables

The company's exposure to credit risk on other receivable from third parties influence mainly by the individual characteristics of each party. Other receivable as at 31 December 2023 include deposits and other receivable of AED 240,986 (2022: AED 294,033) for which management believes that there is no significant credit risk associated at reporting date.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of

20 Financial instruments *(continued)*

Liquidity risk (continued)

expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows. The following are the contractual maturities of financial liability based on contractual undiscounted payments including interest payment and excluding impact of netting:

31 December 2023

	Carrying Amount AED	Contractual cash outflows AED	1 year or less AED	More than 1 year AED
Non derivative financial liabilities				
Trade and other payables (excluding advances from customers)	**1,740,867**	**1,740,867**	**1,740,867**	**-**
Lease liability	**157,405**	**165,852**	**81,300**	**84,552**
Due to related parties	**1,685,388**	**1,685,388**	**1,685,388**	**-**
	3,583,660	**3,592,107**	**3,507,555**	**84,552**

31 December 2022

	Carrying Amount AED	Contractual cash outflows AED	1 year or less AED	More than 1 year AED
Non derivative financial liabilities				
Trade and other payables (excluding advances from customers)	1,469,875	(1,469,875)	(1,469,875)	-
Due to related parties	4,860,886	(4,860,886)	(4,860,886)	-
	6,330,761	(6,330,761)	(6,330,761)	-

Market risk

Foreign exchange risk

The Company has no significant exposure to foreign currency risk as the transactions in foreign currencies (if any) are mainly made in USD which is informally pegged to AED.

Interest rate risk

The Company has no borrowings and is not exposed to interest rate risk.

Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to the short-term nature of these instruments.

21 Fair value hierarchy

The Company does not have financial instruments which are measured at fair value as at the reporting date. Accordingly, the fair value hierarchy disclosures are not applicable to the Company.

22 Significant accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments 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.

The following are the critical accounting estimates and judgments used by management in the preparation of these financial statements:

Impairment losses on trade receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 19.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their 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 (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary.

23 Comparatives

Certain comparative figures have been reclassified to conform to the presentation adopted in these financial statements. These reclassifications do not impact on profit, assets and equity.

24 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization on 26 June 2023, which would have a material effect on the financial statements.

25 UAE Corporate Tax

On December 9, 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375.000. A rate of 0% will apply to taxable income not exceeding AED 375,000.

25 UAE Corporate Tax (continued)

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the period ended 31 December 2023.

The Company has assessed the deferred tax implications for the period ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.

The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.